
IN THE
United States Circuit Court of Appeals
FOR THE NINTH CIRCUIT.

No. 6996

OTIS ELEVATOR COMPANY,
Plaintiff, Appellant and Cross-Appellee,

vs.

PACIFIC FINANCE CORPORATION AND LLEWELLYN
IRON WORKS,
Defendants, Appellees and Cross-Appellants.

PLAINTIFF'S REPLY BRIEF.

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INDEX.

	PAGE
Statement	1
Defendants Use the Parker Control for Their Electric Elevators	3
(a) The Starting and Running Circuits.....	3
(b) The Stopping Circuits and Mechanisms.....	4
Parker Patent Makes No Attempt to Show Prior Devices, Well Known to Elevator Engineers, But Simply How His Control May be Used to Dominate Their Action.....	6
Evidence of Plaintiff and Defendants Is in Entire Accord That Defendants' Elevators Are So Controlled and Operated as to Secure the Full Results of the Parker Invention..	8
Defendants' Position as to Infringement.....	9
Defendants' Brief	11
Point I	14
Parker Patent Operative.....	14
It Was So Held Both by the Master and Judge James....	14
Point II	24
Parker Control Adaptable to Both High and Slow Speed Elevators	24
Means for Decelerating High Speed, Car Switch Controlled, Elevators Were Known to Elevator Engineers and Used in the Art Prior to the Parker Invention....	24
Point III	32
Parker Invention of Great Utility.....	32
It Has Had a Remarkable Commercial Success.....	32
It Is Responsible for Plaintiff's Signal Control Elevators	32
Point IV	36
It Is No Concern of the Defendants as to How Much Plaintiff Paid for the Parker Patent. Defendants Paid No Part of It But Instead, After Its Chief Engineer, Baruch, Had Learned of Plaintiff's Standard Oil Installation Embodying the Parker Control Defendants Deliberately Appropriated Parker's Invention.....	36

Point V	37
No Intervening Right or Estoppel.....	37
Master Clearly Right in Holding as a Matter of Fact No Intervening Rights Between Date of Original Parker Patent and the Application for Its Reissue and That No Estoppel Existed.....	50
Cases Cited by Defendants Not Applicable.....	58
Point VI	59
Disclaimer	59
Disclaimer Point I.....	60
Exception No. 3 (R. 592) Taken by the Defendants Re- quired the Court to Pass Upon the Validity and In- fringement of Claim 37 if This Claim Had Not, Pre- vious to the Decision of the Court, Been Disclaimed by Plaintiff	60
Disclaimer Point II.....	63
Had There Been No Exception Filed Which Required the Lower Court to Pass Upon the Validity and Infringe- ment of Claim 37, This Would Not Have Prevented the Lower Court From Considering, Either <i>Sua Sponte</i> or at the Instance of the Plaintiff, Either (a) The Question of Law As to Whether Claim 37 Complied With Section 4888 of the Revised Statutes, or (b) The Question of Law Whether That Claim Is Infringed	63
The Failure to File Exceptions to a Master's Conclusions of Law Does Not Prevent Even the Court of Appeals From Reviewing Those Conclusions After a Decree of the Lower Court.....	63
The Right of a Lower Court or a Court of Appeals to Review Conclusions of Law Is Not to be Confused With Decisions as to Findings of Fact Made Either by the Master or the Lower Court.....	63
The Question of Whether the Language of Claim 37 Is Sufficiently Definitive Under Revised Statutes Section 4888 Is a Question of Law and Not of Fact.....	63

Under the Authorities No Exceptions Need be Taken to a Master's Conclusions of Law.....	66
Plaintiff Did Not Unreasonably Delay Filing Its Dis- claimer	71
The Morse Case Has No Bearing on the Situation Here as to the Necessity of Filing a Disclaimer.....	72
The Filing of a Disclaimer Is Not a Confession That a Patent Would be Void if the Disclaimer Were Not Made	73
Conclusion	74

CASES CITED.

Abercrombie & Fitch v. Baldwin, 245 U. S. 198.....	52
Alberger Gas Engine Co. v. Ross Heater & Mfg. Co., 285 Fed. 35	58
Baldwin v. Abercrombie, 227 Fed. 455, aff. 228 Fed. 895....	52
Bassick Mfg. Co. v. Adams Grease Gun Corp., 52 F. (2d) 36..	71
Bay State Optical Co. v. Klein, 20 F. (2d) 915.....	73
Brant v. Va. Coal & Iron Co. 93 U. S. 326.....	57
Burke v. Davis, 81 Fed. 907.....	66
Carson v. American Smelting Co., 4 F. (2d) 463.....	72
Celluloid Mfg. Co. v. Cellonite Mfg. Co., 40 Fed. 476.....	67
Central Improvement Co. v. Cambria Steel Co., 210 Fed. 696..	70
Coffield v. Howe, 190 Fed. 42; affd. 197 Fed. 541.....	58
Eibel v. Paper Co., 261 U. S. 45.....	29
Ensten v. Simon Ascher Co., 282 U. S. 445.....	64
Herman Body Co. v. St. Louis etc. Co., 46 F. (2d) 879.....	61
Howe Machine Co. v. Coffield, 197 Fed. 541.....	51
Iowa Washing Machine Co. v. Montgomery Ward & Co., 234 Fed. 88	56
Ketchum v. Duncan, 96 U. S. 659.....	57
Loom Co. v. Higgins, 105 U. S. 580.....	20
Manhattan General Const. Co. v. Helois-Upton Co., 135 Fed. 785	73
Mills Novelty Co. v. Monarch Co., 49 F. (2d) 28.....	61

Morgan v. R. R. Co., 96 U. S. 716.....	57
National Folding-Box & Paper Co. v. Dayton Paper Novelty Co., 91 Fed. 822	68
O'Reilly v. Morse, 15 How. 62.....	73
Permutit Co. v. Wadham, 13 F. (2d) 454.....	73
Radio Corp. v. Edmond, 20 F. (2d) 929.....	14, 23
Sheffield v. Gordon, 151 U. S. 285.....	70
Six Wheel Corp. v. Sterling Co., 50 F. (2d) 568.....	61
Smith v. Seibel, 258 Fed. 454.....	67
Telephone Cases, 126 U. S. 1.....	10, 20, 23
Topliff v. Topliff, 145 U. S. 156.....	41, 54
Traitel Marble Co. v. Hungerford Brass & Copper Co., 18 F. (2d) 66	56
Troy Carriage Sunshade Co. v. Kinsey Mfg. Co., 247 Fed. 672.	36
Von Schmidt v. Bowers, 80 Fed. 121.....	20
Walker on Patents, 6th Ed. Sec. 258, p. 342.....	73
Woolwine Metal Prod. Co. v. Boyle, 279 Fed. 609.....	53

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PLAINTIFF'S REPLY BRIEF.*

Statement.

Plaintiff pointed out at the argument that the inventive concept of the Parker Patent in Suit, is directed to a Control for an Electric Elevator in which an *attendant operator* is *stationed in the car*, and in which *the starting of the car is entirely under the control of the attendant*, whereas the *stopping of the car at landings, in proper sequence, is automatically attained*, by pushing buttons either in the car or at the landings. Plaintiff also demonstrated that when

* As both parties are appealing we shall, as in the brief heretofore filed by us, refer to the parties as plaintiff and defendants respectively.

Defendants, who are likewise cross-appellants, having filed their brief only three days before the argument, this Court entered an order permitting plaintiff to file this reply.

the “*car switch*” type of electric elevator is harnessed with the Parker control, it is so subjected to and dominated by it as to operate in the manner so fully pointed out in the Parker patent.

The *Parker control* for attendant operated electric elevators comprises—

- (a) An electrical circuit (*the running circuit*), controlled *only* by a car switch within the car to start and run the car;
- (b) A *holding circuit*, also initiated by moving the car switch to “on” position, which so *maintains the running circuit* that the car, once started, will continue to run after the operating handle of the car switch is turned to “off” position; and
- (c) *Secondary stopping circuits*, provided with manual closing means (push buttons) located in the car and at each landing, and with an automatic circuit closing means (a selector), synchronized with the movement of the car for initiating the slowing down and stopping of the car at the desired landings in proper sequence. After the car has been thus automatically stopped at any floor, the car switch handle must again be moved to “on” position to start the car.

We also showed at the argument that defendants’ electric elevators, installed at the Pacific Finance Building, are each operated by an attendant operator stationed in the car, and that *the starting of the car is entirely under the control of the attendant*, whereas *the stopping of the car at the landings is automatically attained* either by pushing buttons in the car or at the landings. These results were secured by defendants through use of the Parker control which they appropriated and used after an examination of plaintiff’s “Signal Control” elevators in the Standard Oil Building in New York, (shown and described in the Scientific American of October, 1925, Plaintiff’s Exhibit 11, reproduced in the Appendix to our original brief).

We also showed that the defendants have utilized Parker’s control, in their single installation of four elevators

at the Pacific Finance Building, for so dominating their attendant operated electric elevators as to accomplish the results of the Parker invention, and that this control comprises—

- (a) An electric circuit (*the running circuit*) controlled by the car switch to start and run the car;
- (b) *A holding circuit*, initiated by moving the car switch to “on” position, which so maintains the running circuit that the car, once started, will continue to run after the operating handle of the car switch is returned to “off” position without stopping the car. (This is referred to in the defendants’ installation as “Up Holding” relay 49.) When the holding circuit is completed, the car switch handle may be moved to “off” position and the car will continue to run until automatically stopped in response to push buttons;
- (c) *Secondary stopping circuits* provided with manual closing means (push buttons) located in the car and at each landing, and with an automatic circuit closing means (a selector) synchronized with the movement of the car for initiating the slowing down and stopping of the car, at the desired landings, in proper sequence. After the car has thus been automatically stopped at any floor, the car switch must again be moved to “on” position to start the car.

DEFENDANTS USE THE PARKER CONTROL FOR THEIR ELECTRIC ELEVATORS.

(a) THE STARTING AND RUNNING CIRCUITS.

In both the installation diagrammatically shown and described in the Parker patent and in defendants’ installation, *the starting and running circuit* is completed by moving the car switch to “on” position so that the car will start and run. This operation of the car switch in each instance also completes a *maintaining circuit* which holds the running circuit completed so that the car will continue to run after the car switch handle has been thrown to “off” position.

(b) THE STOPPING CIRCUITS AND MECHANISMS.

In both the installation diagrammatically shown and described in the Parker patent and in defendants' installation, the *automatic stopping of the car* is accomplished, in proper sequence, through pushing buttons either in the car or at the landings, corresponding to any of the various floors at which the passenger desires it to stop. The pushing of the buttons, supplemented by the automatic action of a selector, synchronized with the movement of the car, completes circuits which causes the car to slow down and stop for the first floor for which a button has been pushed, and in proper sequence at each subsequent floor for which buttons have been pushed. After each stop the car can be started *only* by the operator throwing the car switch to "on" position.

We have shown in our original brief (pp. 135-153) the untenability of defendants' contention that the claims in suit are for mere functions.

The foregoing comparison between the Parker control and that used by the defendants shows that mere functions are not relied upon to establish infringement by the defendants, and that the claims here asserted are each plainly directed to structural combinations and not mere functions.

An *electrical circuit (running circuit)* controlled *only* by a *car switch* within the car to *start* and *run* the car, a *holding circuit* initiated by movement of the car switch to "on" position, which so maintains the running circuit of the car that once started the car will continue to run after the operating switch is returned to "off" position, *combined for operation*, with *secondary stopping circuits* provided

with *push buttons* located within the car and at each landing, and *an automatic circuit closing means (the selector)* synchronized with the movement of the car, for initiating the slowing down and stopping of the car at the landings, in proper sequence, and *the circuits* being so constructed and arranged to operate that when the car has been automatically stopped at any floor the car switch must be again moved to "on" position to start the car *are not merely for functions* as defendants contend. They are for concrete things which operate in a particular manner to accomplish the desired result.

An electrical circuit is just as much an element as a lever or other device in the mechanical arts. It is just as proper to specify in a claim a circuit or circuits combined with switches, push buttons, selectors, motors and other elements capable of doing a certain thing or things, and causing them to act at a certain time by certain means, as it is to specify a lever, a pivot or other mechanisms in a claim to accomplish a certain result in a particular combination where they are arranged to operate upon the co-operation of some other mechanism or upon the happening of certain conditions.

The claims of the Parker patent before the court are of the character and kind generally used in electric elevator and other patents, and have been repeatedly approved by the courts (see pp. 135-153 of our original brief).

In both the Parker patent and defendants' installation, the dominating features of the Parker control are utilized in starting, running and stopping the car, to-wit, the *starting, running and maintaining circuits* set up by moving the car switch to "on" position, which so functions as to cause the car to continue to run after the car switch handle has been returned to "off" position, and *secondary stop-*

ping circuits, controlled by the pushing of buttons (either in the car or at any landing) and the automatic action of a selector, synchronized with the car movement, which causes the car to be slowed down through proper braking mechanism and stopped at each of the desired landings and the power to the elevator motor killed, so that the car can again be started, after each stop, only by moving the car switch to "on" position.

These are the dominating features of the Parker control. They are clearly depicted in his patent and testimony.

Parker clearly pointed out that his control should be so constructed and timed as to (Patent, p. 5, lines 25 *et seq.*)

"allow for the timely operation of the usual braking mechanism to overcome the momentum of the car, so that the ultimate point at which the car comes to rest will be in proper alignment with the floor level."

These are used by plaintiff in all its "Signal Control" elevators and by the defendants in their installations, for accomplishing the results expressly stated by Parker.

PARKER PATENT MAKES NO ATTEMPT TO SHOW PRIOR DEVICES, WELL KNOWN TO ELEVATOR ENGINEERS, BUT SIMPLY HOW HIS CONTROL MAY BE USED TO DOMINATE THEIR ACTION.

Parker does not specify the kind of motor control that is to be used in running the elevator, whether the kind used by the Otis Elevator Company in its "Signal Control" elevators, or the "Ward Leonard type,"* used by the defendants in their elevators, both of which had been used previous to the Parker invention, and generally familiar to elevator engineers. (R. 394, 509, 510, 378, 538, 422, 116, 121, 124, 203, 210, 208, 406, 108, 109, 558, 562; Vol. 3, p. 295.)

* This is shown in the Ward Leonard patent of 1892, Defts.' Ex. X 7, R. Vol. 3, 296-300.

Parker relied upon elevator engineers to use the kind of motor they desired. He fully appreciated that any elevator engineer could readily apply his control to any of the various elevator devices then in use in such a way as to dominate their action. (R. 108, 109.) It was so applied by both plaintiff's and defendants' engineers. (R. 378, 522, 523.)

Parker likewise simply showed a *diagrammatic form of selector* through the use of which a secondary circuit is to be completed for automatically bringing about the stopping of the car at each designated landing, in proper sequence, in response to pushing buttons either in the car or at the landings. The *selectors* used by the plaintiff and defendants are of types previously known and extensively used. (R. 378, 563, Defts' Ex. X-11.) These accomplish the Parker results by their use of his combination.

Parker refers to the usual braking mechanisms with which his secondary circuit closing means should be so timed as to cause such "braking mechanisms" to be fully utilized in bringing the car to stop at each of the desired landings. He did not illustrate any particular form of braking mechanisms by which the car was decelerated and brought to a stop, as these were old in the art and were recognized by engineers generally. (R. 394, 509, 510, 378, 538, 422, 116, 121, 124, 203, 210, 208, 406, 108, 109, 558, 562; Vol. 3, p. 295.)

He was, however, insistent that all of these elevator mechanisms should be so harnessed and dominated by his control that they would perform in the manner which he so specifically sets up and obtain results never before attained. (R. 399, 426, 54, 60, 61, 121, 264, 265.) For further discussion of the evidence as to these old devices see *infra* pp. 24-31.

EVIDENCE OF PLAINTIFF AND DEFENDANTS IS IN ENTIRE ACCORD THAT DEFENDANTS' ELEVATORS ARE SO CONTROLLED AND OPERATED AS TO SECURE THE FULL RESULTS OF THE PARKER INVENTION.

Defendants' and plaintiff's witnesses agree that in defendants' installation the car (in normal operation) can be started *only* through the operator moving the car switch located within the car to "on" position; that when this is done the car will continue to run after the car switch is moved to "off" position, and that the car can be automatically stopped, in proper sequence, at each floor in response to pushing buttons corresponding to that floor, located either in the car or at the various landings, and that prior to the Parker invention they had never seen or heard of anything like it. (R. 133, 134, 397, 426.)

Plaintiff's and defendants' witnesses also agree that in defendants' installation, once the starting and running circuit is completed by moving the car switch handle to "on" position, an up holding relay or maintaining circuit is likewise completed through the operation of the car switch, which maintains the running circuit and causes the car to continue to run after the car switch handle has been thrown to "off" position, and that the stopping of the car is automatically attained at any landing, in proper sequence, in response to push buttons pushed within the car or at any landing, through the action of a selector which completes the stopping circuit and causes the car to slow down and stop at the desired landing, and that circuits and switches are so arranged and automatically operated that the car switch handle must be moved to "on" position, after each stop, to start the car, and that the car can be started *only* from the car switch. (R. 133, 134, 397.)

DEFENDANTS' POSITION AS TO INFRINGEMENT.

Defendants' position as to non-infringement of the claims in suit, except claim 3, primarily is that because their elevators utilize a primary and secondary slow-down drum and a leveling drum in their stopping operation, they do not infringe. This contention is made despite the fact that slow down (decelerating) mechanisms were admittedly old in the art (R. 394, 505, 509, 510, 378, 538, 422, 116, 108, 109, 203, 208, Vol. 3, p. 295; R. 406, 562), and that defendants control the action of these mechanisms by the Parker invention which causes the car to automatically slow down and stop at each floor, in proper sequence, in response to pushing buttons, located in the car and at various landings, and to the automatic action of the selector.

Judge James likewise held non-infringement, largely it seems to us, because of the *unwarranted* assumption that there were no means for decelerating high speed elevator cars in the prior art (R. 640), and from this failure to appreciate the vital distinction between "push button" elevators of the Ihlder type and the Parker invention. (R. 638, 639.)

Each of the claims asserted, 3, 22, 29, 40, 41 and 65, when read in connection with the disclosure of the Parker patent, clearly calls for a "Control for Electric Elevators" which accomplishes a result admittedly new, and each of these claims, except claim 3, are so clearly infringed that defendants make no attempt to assert that their language does not read upon defendants' installation. Defendants' sole contention in regard to the language of any of the claims assailed is that claim 3 should not be given a sufficient range of equivalents to include within its language the defendants' installation.

At the argument we called attention to the propriety of each of the claims, and pointed out numerous decisions of

the Supreme and other courts approving them, including the *Bell Telephone Cases* (126 U. S.), in which the claims are each much less definitive of mechanism than those of the Parker patent.

The record shows that Parker was a pioneer in providing a control, for attendant operated electric elevators, in which mechanism and electrical circuits were provided for so harnessing and dominating an electric elevator that it could be *started only* by the attendant from within the car, and is *automatically stopped*, in proper sequence at the different floors in response to pushing buttons either within the car or at any floor landing. (R. 399, 426, 54, 60, 61, 121, 264, 265.) He is entitled, under the decisions, to a liberal interpretation of his claims, each of which clearly includes within its proper scope defendants' installation.

The Master correctly understanding the Parker patent and the prior patent to Ihlder *accurately* found that Parker was entitled to a *liberal interpretation*. The lower court *misperceiving* both Parker and Ihlder was of the opinion that Parker should be given a *strict construction*.

The Master and lower court found that the Ihlder patent was the *closest* reference to Parker. As a matter of fact, the Ihlder patent was *not plead* in the answer or *amendment* thereto, and *no notice* given concerning it prior to the trial under Revised Statutes 4920. Therefore, it cannot be urged as an anticipating reference.

Defendants' main contentions of non-infringement that the driving power for the elevator is killed by cutting in resistance, and that there is no contact in defendants' elevator which "is open^{ed} to stop the car" are completely disposed of by their own witness, DeCamp, who testified (R. 353) concerning defendants' control:

"As a matter of fact, when this contact" (contactor
27) "is broken, that is when everything really quits
and the brake is then put on."

DEFENDANTS' BRIEF.

Defendants are here urging each of the points which they argued before either the Master or the lower court. The Master decided against them on all points except the question of disclaimer which was not before him. The lower court decided against them on all points except non-infringement. The Master found and the lower court held each of the claims here asserted of the Parker patent valid, and thereby necessarily disposed of the following contentions so strenuously urged by the defendants. These were disposed of here to the satisfaction of the Master and lower court on the proofs before them. We shall here further demonstrate them to be entirely untenable and not supported by the record:

- (1) Lack of invention;
- (2) Lack of operativeness;
- (3) Lack of utility;
- (4) Alleged intervening rights;
- (5) Alleged delay in filing disclaimer.

Defendants predicated their entire right to be heard in this court on two assignments of error (R. 658)—

First. That the court erred in holding United States Reissue patent No. 16,297 in suit good and valid;

Second. That the court erred in denying the motion of defendants to dismiss the bill of complaint herein, on the ground that plaintiff unduly delayed filing its disclaimer as to claim 37 of said reissue patent.

Our original brief covers the question of the character of the Parker invention, the scope which should be given the claims asserted and defendants' infringement, and that discussion will not be further repeated here.

We also anticipated as far as we could from defendants' very general assignments of error their contentions as to the invalidity of the Parker patent by showing that the prior art only aggravated the importance of the Parker invention and the great need for it, and considered also the question of disclaimer (pages 153-185 of our original brief).

As defendants' brief ranges into every defense it raised either before the Master or the lower court, we feel it necessary to file this reply brief.

An examination of the record will show that defendants' brief, in instances too numerous to mention,—

- (1) Entirely disregards the uncontradicted testimony of the witnesses and distorts facts beyond recognition;
- (2) Misconstrues the Parker dominating control for electric elevators;
- (3) Attempts to re-write the Parker patent by injecting limitations into it neither required by its disclosures, the prior art, nor necessary for a proper interpretation of the claims asserted;
- (4) Attempts to reconstruct and re-design the prior art references in the light of the Parker disclosures (and after-acquired knowledge) in an attempt to have them interpreted to mean something entirely different from what was intended by their disclosures, and to such an extent as would entirely defeat their definitely expressed objects.

When the record is read and understood as the Master understood it from the witnesses, the Parker invention stands out in bold relief.

As plaintiff showed at the argument, defendants' expert witnesses were unable to point out a single prior art reference which met the inventive concept of Parker, or which would perform the functions or secure the results which Parker so specifically states he accomplishes by his invention.

This is shown by the cross-examination of defendants' expert witness, Doble. Mr. Doble after considerable pressure on cross-examination stated (R. 462):

“The only two patents of the fifteen which I found which contemplate a structure in which the car may be started only from within the car and be automatically stopped by initiating the stopping within the car and from the landing are the Ongley and Strohm patents.”

On further cross-examination (R. 464, 470) he was compelled to admit that the Ongley structure would not accom-

plish the Parker results, and that its operation is diametrically opposed to that of Parker. He was compelled to make similar admissions concerning the Strohm patent, which showed that it was neither designed to nor could it accomplish the results of the Parker invention (R. 481, 483).

At the outset of Mr. Doble's examination, the Master asked the witness as to what he considered the closest references. He said:

“I do not consider any one of these patents in this folder X-1 to X-15 disclose the same structure as the Parker patent discloses.”

On cross-examination (R. 468) when requested to pick out the one patent he considered the closest disclosure to the Parker patent, he still persisted in refusing to do this (R. 491). The record shows that:

“Witness was asked, since he had canvassed the situation pretty thoroughly both on direct and cross-examination, if he could for the benefit of the Court pick out the one structure which he thought most closely resembles the structure disclosed and described in the Parker patent.

“Witness answered he could not.”

Defendants' counsel was unable to call the Court's attention, at the argument, to a single patent of the prior art which would accomplish the Parker results or perform the functions of the Parker invention.

We shall not attempt to point out all of the numerous errors of statement of facts having to do with the questions of invention, operativeness, utility, intervening rights and non-infringement which have been made in defendants' brief, all of which the Master, who saw and heard all of the witnesses, decided adversely to the defendants, and which have likewise been disposed of adversely to them by the lower court. We assume that the Court will examine the record in reading defendants' brief. We shall call attention only to the more glaring errors, misstatements and misinterpretations contained in it, without attempting to repeat subject matter covered by our original brief.

POINT I.**PARKER PATENT OPERATIVE.**

IT WAS SO HELD BOTH BY THE MASTER AND JUDGE JAMES.

Defendants' contention that the Parker invention disclosed in the Parker patent would be inoperative if constructed *exactly* as shown in the diagrammatic drawings of the Parker patent is beside the point. Defendants completely ignore the admissions of the witnesses on both sides that the Parker patent disclosed to skilled engineers an operative device. They further disregard the well established rule of law (see authorities, page 36 of our main brief) that—

"a patent is addressed to men who know the art and if such men can build and operate the device so that it functions as the patent says it will, although imperfectly and only after trial and error, that is enough. *A. B. Dick v. Barnett*, 288 Fed. 799, 801."

(*Radio Corp. v. Edmond*, 20 F. (2d) 929, 931.)

Defendants' main contention as to why the control shown by the diagrammatic drawing in the Parker patent, if literally followed, is inoperative is wholly based on the erroneous assumption of defendants' professional expert witness, *Doble*, (R. 449) that the rings *g* and *g'* of the selector are electrically connected by a single brush 34. A first year student in the electrical arts would know better. One may with equal justification argue that because a drawing of a side view of an automobile shows the wheels only on one side of the automobile none were intended to be used on the other side and that, therefore, the automobile is inoperative.

But even under *Doble*'s erroneous assumption, while not an elevator engineer, he was forced to admit that if he found or it was demonstrated to him by a test that the

circuits should be separated, then he would separate them (R. 451). Thus, notwithstanding Doble's lack of knowledge of the elevator art, he admits that even he could correct the alleged assumed erroneous deficiency on which defendants mainly rely.

The real test to be applied, however, as laid down by the authorities (our main brief, p. 36) is, what does the Parker disclosure teach *skilled elevator engineers?*

Mr. Crabbe who has had to do with electric elevators for nearly thirty years testified (R. 147) that he

"as an engineer could take the Parker patent and from it construct an elevator that would operate in the intended manner"

and that the Parker drawing is "schematic" and requires

"a certain amount of knowledge of this class of work in order to correctly interpret them. The Parker patent discloses as much to me as an engineer concerning the principles of operation of the device as are disclosed in the schematic drawings of the defendants' installation." (R. 197) * * *

None of defendants' *elevator engineers* attempted to refute this or contend that the Parker patent does not disclose to them an operative device or that they could not as skilled elevator engineers with only the Parker disclosure before them construct an operative elevator embodying the Parker invention. Their appropriation of it in defendants' elevators shows how readily they used it after seeing the Otis Signal Control Elevators.

Mr. Sessions, a practical engineer of many years standing, having had actual experience with electric elevators (R. 522), testified that the structure disclosed in the

"Parker patent is practical and operative"; that he

"as an engineer would not have any difficulty in installing that structure in an elevator for commercial operation";

that

"the Parker patent shows the apparatus and electrical connections in diagrammatic form. The electrical connections and the principle of operation are clearly shown and set forth in the specifications, and it is optional with the person who wishes to embody this invention to use any form of apparatus in which to incorporate the principles of the invention";

that he had

"seen the device disclosed and described in the Parker patent installed in elevators. In the one instance it was installed in the Merchants National Bank Building at the corner of Seventh and Spring Streets" (this was an Otis Signal Control Elevator)

and

"in another instance the Llewellyn elevators in the Pacific Finance Building" (defendants' elevators).

That he had

"seen it embodied in high speed elevators in the Otis elevators in the Merchants National Bank Building and the Llewellyn elevators in the Pacific Finance Building," (Los Angeles).

that (R. 523)

"the structure shown and described in the Parker patent is adaptable for use in connection with a bank of elevators if properly connected up"

that he has

"seen it so embodied in both the Otis elevators and defendants'."

With respect to the point mainly relied upon by the defendants to show inoperativeness, Mr. Sessions testified (R. 525):

"The rings g and g' are separate rings, insulated from each other, and carried by the selector plate S. In my opinion there is no reason to construe this construction in any other way. There are wires, one number 36, leading to the ring g , and number 36' leading to the ring g' . If the rings g and g' were to be electrically always connected together, as by the brush 34,

then there would be no necessity for running two wires 36 and 36' to them. One wire would answer."

Defendants, on pages 57 and 58 of their brief, advance the fanciful theory of inoperativeness by erroneously assuming for the Parker disclosure that the rings g and g' are electrically connected, contrary to the testimony of the skilled elevator engineers who testified on this point. Defendants' counsel concluded their discussion by citing Parker (R. 102) to the effect that if the rings g and g' on the floor selector are bridged by the brush 34 the car would stop. By referring to page 102 of the record, it is clear that all Parker intended to say was that by *assuming* a condition *set up by defendants' counsel in his question*, namely, that the ring g' was in electrical contact with the ring g , the car will stop, but Parker did not state that was the disclosure of the Parker patent, for on the very next page (R. 103) he said:

"The floor selector in this diagram is purely diagrammatical.

"It does not refer to any particular floor selector.
* * * I assumed that some means in the floor selector for dividing the up and down circuits would be provided. If the circuits in the floor selector are separated so that the brush 34 doesn't contact the ring g and g' and the up and down contacts on the floor selector at the same time, the desired operation is still obtainable by the use of ordinary mechanism."

It is perfectly obvious that the whole contention now urged by defendants' counsel in support of its defense of inoperativeness is based on assuming for the Parker patent an arrangement contrary to and diametrically opposed to what it discloses to skilled elevator engineers and contrary to the objects and teachings of the Parker patent. This is not the test which the courts apply in determining whether a disclosure is or is not operative. If it were few, if any, patents could withstand such a test.

Mr. Sessions further testified on this same point (R. 528) :

"The bridging of the rings at all times by the brush 34 would be equivalent to their being made in one piece. If they were to be bridged at all times, their purpose and functions would be destroyed, and there would be no object in showing two separate rings, if they were to be bridged at all times by an electrical conductor.

"From my understanding of the Parker patent disclosure the stop buttons would not be reset by the contact piece 42 bridging 39 and 40 of the Parker patent and 39' and 40' by the handle 3 when the arm 41 was returned to central or neutral position, unless the rings *g* and *g'* are always connected together. As they are not connected together, there would be no danger of the bridging member 42 resetting the buttons in the way I have described."

and (R. 527)

"From my understanding of the Parker patent, as an engineer, and whether the rings *g* and *g'* are always connected by the brush 34 or not, I would say if such were the case the entire purpose of the patent would be destroyed. The rings are shown as separate rings and connected by separate wires, and they can only function if they are separate rings insulated from each other. So that there is only one conclusion to me as an engineer as to these rings, and that is that they are separate rings insulated from each other."

and (R. 531)

"I do not find a second brush shown in the drawings of the Parker patent for the floor selector. It is called for in the specifications. It would be number 34' if it were on the drawings.

"Pointing out the reference to the brush 34' in the specifications of the patent in suit, commencing with page 3, line 128, and running on to page 4, line 84, there is described in detail the construction of the up travel selector contacts. Then the paragraph that follows, commencing with line 84 and ending with line 100, reads as follows:

"I have thus described the complete secondary circuit controlling the automatic stopping of the elevator car during its ascending travel. It will

be understood that a similar secondary control circuit, employing similar devices for actuating the operative closing of the same, is provided for controlling the automatic stopping of the elevator car during its descending travel. In order to avoid repetition of description I have designated the wiring and parts of said latter or descending secondary control circuit as shown on the drawing, with the same reference numerals and characters to which, for the purpose of distinguishing the same from the ascending secondary control circuit and its parts, I have affixed the prime character.'

"That paragraph refers to similar parts, and consequently they cannot be the same parts, and parts referred to by the same letters with a prime character. Inasmuch as the system would be completely inoperative if there were only one brush 34, which contacted with both rings g and g' , and the primed and unprimed f contacts, the only conclusion that an engineer can draw at least the only conclusion that I can draw—is that there is another brush which, if shown on the drawings would be called 34'; and it may well be that that brush is hidden by the brush 34, in the drawings."

As heretofore pointed out in our main brief (pages 34 and 35) both Mr. Leonard Lyon's brother, Richard, and defendants' chief engineer, Baruch, fully understood the intended operation of the Parker disclosure and how it worked. It was not until years later, under the stress of litigation, that defendants' counsel attempt for the first time to assert that the *particular* diagrammatic drawing of the Parker patent (not his disclosure) is inoperative and this he can only find a pretext for asserting by construing, contrary to the elementaries of the electrical elevator art, the particular diagrammatic drawing in a manner diametrically opposed to what it discloses and what the undisputed testimony of the skilled elevator engineers in this case shows it discloses to them.

This sort of defense, though often urged, seldom succeeds, as the courts have repeatedly and uniformly held.

It was urged in the well known case of *Loom Co. v. Higgins*, 105 U. S. 580. The court there speaking through Mr. Justice Bradley in disposing of such contention, said at p. 586:

“When the question is, whether a thing can be done or not, it is always easy to find persons ready to show how not to do it.”

This language was quoted with approval by the Supreme Court in the *Telephone Cases*, 126 U. S. at page 536, in disposing of a similar contention.

In one of the leading cases of this court (*Von Schmidt v. Bowers*, 80 Fed. 121) the court, in holding the Bowers patent to cover an invention of a pioneer character and that the claims were entitled to a broad and liberal construction said, at page 150, in disposing of the contention of inoperativeness:

“The contention on the part of counsel for the appellant that no successful machine can be built and operated in accordance with the complainant’s patents is not at all supported by the record, which contains abundant evidence to the effect that machines have been so built, and have ever since been operated with very great success. The fact, if fact it be, that the first machine built by the complainant (called in the record the ‘Davis Machine’) was not successful in its operation, is unimportant. As was well said by the court in answer to a similar objection in the case of *Mergenthaler Linotype Co. v. Press Publishing Co.*, 57 Fed. 502, 506;

“‘It would certainly be a novel doctrine to deny to an inventor the fruits of a broad invention because the machine which first embodied it was rudimentary in character, and failed to do as good work as improved machines made subsequently. None of the great inventions could survive such a test. Ten years after the invention of Howe, the machine first made by him would hardly have satisfied the least exacting sewing woman. The Dodds and Stephenson locomotive would, only a short time after its construction, have been discarded as behind the age, even by the savages of Tasmania.

The telephone of Bell is not the perfected telephone of commerce. The Morse telegraph is looked upon today as an interesting antique. And yet it would be an unheard of proposition to withhold from these illustrious men the credit they deserve because their machines were crude at first, and were improved afterwards.””

So here, the undisputed testimony of plaintiff's witnesses, *Sessions* and *Crabbe*, not only shows that plaintiff's signal control elevators which have been so extensively used, are made in accordance with and contain and embody the controls of the Parker patent, but not one witness on behalf of defendants attempts to refute this testimony. In addition the Master, after an examination of plaintiff's elevators and drawings thereof, found that the plaintiff's elevators embodied the Parker invention (R. 563). After describing the Otis Signal Control Elevators at the Pacific Telegraph Building in San Francisco, which is like the one previously installed at the Standard Oil Building in New York (R. 563) the Master says (R. 564) :

“In this structure is found (1) a circuit controlled by a car switch to start the car, (2) a holding circuit which maintains the running circuits independent of the car switch, and (3) secondary circuits with manual circuit closing means located in the car or at the landing and automatic circuit closing means on a selector, for interrupting the running circuit and stopping the car. As will later appear, these are the elements of the Parker invention. The conclusion is reached that as a part of the Pacific Telephone and Telegraph Company installation the plaintiff followed the teachings of Parker's disclosure. In commercializing their ‘signal control’ elevators the plaintiff has met with success. This success is due, in large measure to those features that resulted from Parker's disclosure.””

Defendants' counsel likewise practically admits that the Parker patent disclosure is operative, for in answer to a direct question by the Master he says (R. 522) :

“It will perform just as it is shown there, but that

is an impractical proposition. We are not raising any issue that the thing won't do anything at all. We are raising the issue or we are contesting the plaintiff's claim that the Parker system is the same as ours and will do what ours does."

Mr. Lyon thus admits that the disclosure is operative but his objection is that it will not do all the things claimed in the reissue or all the things claimed for defendants' system.

It is not a question of whether the particular diagrammatic showing of the Parker patent is highly commercial but whether or not the inventive concept illustrated and disclosed by the Parker patent is operative and useful. The law presumes it to be so until clearly proven otherwise. The defendants, in order to prevail, must clearly and definitely establish such defense. In this they have completely failed. Experts in the Patent Office in allowing the original patent and again allowing the reissue have twice held that the Parker disclosure is operative to accomplish the results claimed.

Both the Master and Judge James, in holding the Parker patent valid, have likewise held that the Parker disclosure is operative.

They all necessarily recognized that the diagrammatic drawings of electrical circuits and mechanisms in the Parker patent and the specification of the Parker patent amply show all that was necessary for those skilled in the electric elevator art to do just what Parker says he intended it to do, for otherwise the patent would not have been *twice* allowed and later *twice* sustained; that it is operative is also fully sustained by the testimony of experts in the elevator art.

It is well understood that patent drawings are not required to be working drawings, but serve merely to convey the invention to those skilled in the art, this is especially true of all patents in the electrical art.

Imperfections in the diagrammatic drawings of an elec-

trical apparatus or electric circuits which do not affect the substance of the invention and which could be remedied by those skilled in the art, do not render the patent inoperative.

A well known illustration is the Bell Telephone patents sustained in the *Telephone Cases*, 126 U. S. 1, which has uniformly been cited with approval since by the Supreme and other courts. We called attention to this case at the argument.

The courts repeatedly and uniformly hold that patents are addressed to those who know the art, that is, skilled engineers in the particular art and if they can, even after trials and tests, with their knowledge of the art build and operate the device to carry out the invention or concept of the patent in the manner indicated by the patent, then the patent is not invalid for inoperativeness (see authorities cited page 36 of our main brief).

The law as laid down in these cases is well stated by Judge Thacher in *Radio Corp. v. Edmond*, 20 F. (2d) 929, 931:

“A patented device is not inoperative because, when built or operated in a certain way, it will not work, if other ways of building and operating it are fairly indicated by the patent or the prior art. A patent is addressed to men who know the art, and if such men can build and operate the device, so that it functions as the patent says it will, although imperfectly and only after trial and error, that is enough. *A. B. Dick Co. v. Barnett* (C. C. A.) 288 F. 799, 801; *American Stainless Steel Co. v. Ludlum Steel Co.* (C. C. A.) 290 F. 103, 108.”

Under this rule of law defendants themselves have completely disposed of their contention of inoperativeness for they have shown that an engineer *not skilled in the elevator art* (their witness Doble) if he found, or it was demonstrated to him, by testing, that the circuits should be separated, he would separate them (R. 451).

POINT II.

PARKER CONTROL ADAPTABLE TO BOTH HIGH AND SLOW SPEED ELEVATORS.

MEANS FOR DECELERATING HIGH SPEED, CAR SWITCH CONTROLLED, ELEVATORS WERE KNOWN TO ELEVATOR ENGINEERS AND USED IN THE ART PRIOR TO THE PARKER INVENTION.

Parker's pioneer control, as shown by the undisputed evidence, may be used with—

- (a) slow speed elevators, and
- (b) high speed elevators containing the theretofore known accelerating, decelerating and self-leveling means, as well as subsequent improvements.

For the defendants to say that there was no want, need or reason for the Parker pioneer control until after the development of the *present* slow-down mechanism of either the plaintiff or defendants, is absurd.

It is a matter of common knowledge that “car switch” controlled high speed elevators were in general use in skyscrapers, particularly in the metropolitan districts of the United States, long prior to 1920.

Mr. Crabbe, a skilled elevator engineer, connected with the plaintiff company continuously since 1904 (R. 141), testified (R. 264) that for a period of six years (prior to 1921) or possibly longer—

“It was known that there was a want for a type of elevator that would function in the manner as shown by the Parker patent.”

But notwithstanding the corps of skilled elevator engineers employed by the plaintiff, the leading electric elevator company (R. 265)—

“No one to my (his) knowledge, in the Otis Elevator Company, had solved that problem previous to that time.”

Notwithstanding Mr. Crabbe knew (R. 227) "that the demand * * * existed" for a control "where the car could be started and taken away from the operator and then stopped by pressing buttons in the hall," he was unable to solve the problem.

It was not until about *two years after* he learned of the Parker invention from Mr. Lindquist, Chief Engineer for the Otis Company, that the Otis Signal Control was installed in the Standard Oil Building in New York (R. 228).

Defendants' witness, DeCamp, admits that (R. 394) in 1921 he used a Ward-Leonard type of control for *leveling of high speed cars with main motor leveling* and that (R. 505)—

"The Ward-Leonard system of variable voltage was a very old system prior to our development of our type of installation."

and that (R. 509, 510)—

"in the Ward-Leonard system the elevator motor is driven in either direction by the controlling generator, and the speed of the motor is regulated by increasing or diminishing the voltage of the generator; the reversal of the direction of the current through the generator field windings causes the reversal of the direction of the rotation of the motor * * * as known by him previous to 1920."

Defendants' witness, De Camp, more specifically admits that the selectors, slow-down and Ward Leonard drive arrangement were old when he first came with the Llewellyn Iron Works in 1920 (R. 378).

Mr. Sessions testified (R. 538) that

"the variable voltage of the Ward Leonard system is one which has an infinite number of steps, the voltage varying from zero to any desired amount in continuous increment."

Defendants' expert, Doble, testified (R. 422):

"Defendants' Exhibit X-7, *H. W. Leonard, Patent February 2, 1892*, discloses the use of the Ward Leo-

nard controy system, which has been referred to so extensively in this case, and as applied for the control of an elevator both as to its direction of travel and the speed of travel. *This same general construction is in use at this date in modern manual controlled elevators.* The car is illustrated as D in Fig. 1, and the controlling lever as b. *The movement of this lever in one direction or the other starts the car, and accelerates it to full speed.* On approaching the landing *the speed of the car is decelerated*, and it is brought to rest by the position of the lever in neutral position. The car is controlled for the opposite direction of travel by a reversal of the direction of movement of the manual controlled switch lever. *It will be observed that this car is started, stopped and controlled for acceleration and deceleration from within the car.*"

Mr. Reed in referring to plaintiff's elevators, testified (R. 116) that he took over the Telephone Building in Seattle, in the middle of 1920, and operated it with plaintiff's manual controlled micro-self-leveling elevators, until November, 1924.

He further says (R. 121) referring to this same elevator construction that—

"The micro-drive is a self-leveling proposition that takes the human element out of floor landings completely. *The operator has to stop the car within the zone with the micro-drive.*"

He further says that these old self-leveling micro-drive elevators were operated at a speed of about 600 feet per minute (R. 124).

It was this Otis "Car Switch" Controlled High Speed Micro drive type of elevator with which Parker was familiar when he filed his application, for he testified (R. 108, 109):

"As to whether when I filed the application I knew of any form of slow-down or stopping mechanism for the elevator car which I could incorporate in this system or diagram, I knew that such mechanism was in existence, that is, mechanism in Otis elevators. It was

a mechanism that brought them exactly to the floor level.

"I knew that a system of relays could be installed that would bring about that result."

Mr. Crabbe testified (R. 205) that

"The Parker patent is something that is to be added to controls which already exist and those controls contain the means for stopping a car."

"It indicates the connection between the Parker patent and well-known control means for elevator cars."

And as to the old mechanism which he stated could be used with the Parker control he testified (R. 203):

"It was in public use on practically all standard Otis elevators."

In referring to the micro drive utilized by plaintiff he says (R. 210):

"The auxiliary motor micro is a device which is added to the main machine, although not structurally added. It is incorporated as part of the construction. It is a separate machine which drives the elevator at a slow speed. It is automatically controlled when the car is within a certain distance above and below the floor, *and comes into operation after the speed of the main elevator hoisting machine has been reduced.*"

Mr. Crabbe further testified (R. 208) that the Ward Leonard control is done by varying the voltage from the generator and that this system of control had been in existence for over 25 or 30 years; that in the Standard Oil installation in New York, the Otis Elevator Company used a multi-voltage system which while not as old as the Ward Leonard goes "*back beyond*" 1921.

An examination of the H. Ward Leonard patent (R. Vol. 3, p. 295) shows that the car is accelerated and decelerated by cutting out or cutting in resistance in the field circuit of the intermediate generators. Defendants' present elevators utilize this old Ward Leonard system for accelerating and decelerating and stopping its cars.

Mr. Doble testified (R. 406) that long prior to 1920, he had to do with and worked on the Ward Leonard system which was the first that he knew of being installed in California.

He further testified:

- (1) That the Crouan patent (R. Vol. 3, p. 233) discloses deceleration and acceleration means (R. 463).
- (2) That the McFeely patent (R. Vol. 3, p. 271) discloses deceleration means and braking means (R. 463).
- (3) That the Ongley patent (R. Vol. 3, p. 283) discloses automatic deceleration means (R. 464).
- (4) That the Buffington patent (R. Vol. 3, p. 311) shows deceleration and acceleration means (R. 464).
- (5) That the Kammerer patent (R. Vol. 3, p. 361) shows an electrically controlled and operated elevator with special provision for deceleration and acceleration of the car so as to avoid shock (R. 464); and
- (6) That the Ihlder patent (R. Vol. 3, p. 369) shows extra fields for controlling the stopping and starting of the motor of the hoist (R. 464).

Mr. Sessions testified (R. 538):

"All of the Otis signal control installations are variable voltage systems. Variable voltage is a multiple voltage. A multi voltage system is one in which there are definite steps of increment of voltage applied to the circuit at considerable voltage value apart, for instance, 30, 60, 120, and 240. That is, broadly, a variable voltage system, but the variable voltage of the Ward Leonard system is one which has an infinite number of steps, the voltage varying from zero to any desired amount of continuous increment."

From this undisputed testimony it is clear that prior to the time Parker filed his application both forms of drive, including the Ward Leonard system used by the defendants in their infringing installation, were old and well known in the art and used for accelerating and decelerating as well as starting and stopping the car.

Parker fully appreciated this (R. 108, 109):

"I knew the results could be obtained by relays but

I do not know how in details. I could have worked out a mechanism that would be operative utilizing elementary electricity, but I relied on apparatus I knew to be in existence."

It is not surprising he so testified when the undisputed evidence shows that there were old and well known drives, such as the Ward Leonard, used in elevators for accelerating and decelerating as well as multi-voltage system undeniably used by Otis prior to 1921.

In view of this record, for the defendants to now come forward and say that there were no means for accelerating, decelerating, and self-leveling known prior to 1921 in the elevator industry, when as a matter of fact both plaintiff's and defendants' witnesses admit they were old, is inexcusable. Certainly they cannot be serious in this contention.

The Parker control is and has been used with both old types, not only the Ward Leonard system, but the undeniably old multi-voltage system of the Otis Elevator Company.

The fact, if it be a fact, that both plaintiff and defendants have since made improvements, advisable but not essential, for the use of the Parker control, only goes to magnify the importance of the Parker invention. It demonstrates that it can be used, as shown by this record, not only in slow speed elevators with ordinary braking mechanism but also with the Ward Leonard system of resistance control, the multi-voltage control known in the art prior to 1921, and also in connection with improvements since made. This is one of the tests of a *real invention*, which the courts should uphold and protect.

The Supreme Court in *Eibel v. Paper Co.*, 261 U. S. 45 (at p. 63) said

"In administering the patent law the court first looks into the art to find what the real merit of the al-

leged discovery or invention is and whether it has advanced the art substantially. If it has done so, then the court is liberal in its construction of the patent to secure to the inventor the reward he deserves."

The uncontradicted evidence thus shows that the identical drive and means for accelerating and decelerating used by the plaintiff in its signal control elevators, was known to elevator engineers and was in use "back beyond" 1921 (R. 208, 108, 109, 116).

There is not one particle of evidence to in any wise controvert these undisputed facts.

The statements running throughout defendants' brief that there were no means known for use in connection with high speed elevators for accelerating, decelerating or slowing down is based solely on the figments of the imagination of defendants' counsel.

It was understood by all at the trial that these things were old prior to 1921. Defendants did not even make an attempt to show the contrary. In fact, defendants' own witness, DeCamp, admits these things were old prior to 1921 (R. 378).

It is thus obvious why the Master who heard all the testimony said (R. 558) :

"It appears that Parker intended to use some system of slowing down, stopping, and leveling then in use that could be adapted to his control means. He knew that such systems existed but did not know of their specific structure and operation."

and (R. 562) :

"Most important to consider it the general condition of the art at the time of Parker's application. By this time engineers knew how to build elevators, which were started by an operator in the car and were stopped by the operator's throwing of the manual switch into neutral either in response to a flash signal from a landing or at the request of a passenger. The opening of the manual switch set up an elaborate

series of automatic operations which slowed down, stopped, leveled the car, and braked the mechanism. Practically all of these features are found in plaintiff's and defendants' present installations. Also available to the art were devices of the character of the Randall signal machine. (See patent of Smalley and Reiners, Exhibit X-11). These machines received signals from hall push buttons through the main signal panel and relayed the signals to the first car to approach the signalling floor in the direction indicated. The signal reached the car as a light flash. In response to the flash the operator manually operated the car switch to initiate the stopping of the car.

"In brief, the elevator art at the time of Parker's application had developed high speed elevators in which the starting and stopping were initiated by the operator's closing and opening a switch in the car in response to a signal from a hall button or the request of a passenger. Acceleration, deceleration, and leveling could be done automatically after the operator initiated the operation by his car switch. Selectors had been developed which would complete a circuit to stop the car."

The statement in Judge James' opinion that—

"No breaking means were then in use which were adaptable to fast moving elevator cars and by means of which the car could be accurately leveled with a floor."

and—

"here it may be stated that neither the control system of Parker nor any of those included in inventions theretofore made were adaptable to the operation of fast moving elevators such as are necessary to be used in buildings containing many stories like the modern skyscraper." (R. 640)

is not supported by the evidence which the Master heard and refers to in his opinion. The uncontradicted testimony of plaintiff's and defendant's witnesses completely refutes Judge James' reversal of the Master's findings in these regards.

POINT III.

PARKER INVENTION OF GREAT UTILITY.

IT HAS HAD A REMARKABLE COMMERCIAL SUCCESS.

**IT IS RESPONSIBLE FOR PLAINTIFF'S SIGNAL CONTROL
ELEVATORS.**

Defendants assert on page 9 of their brief that plaintiff gave no attention to the Parker invention until after it had "learned of the installation by defendants in Los Angeles of an elevator of the type complained of herein" and cites page 423 of the record. This statement is in no wise supported by the record. The facts are these.

In January, 1922, (R. 76) Mr. Parker called at the office of the Otis Elevator Company in New York and explained and submitted his invention to Mr. Lindquist, Chief Engineer of the Plaintiff company, leaving a copy of his patent application and drawings with him. Parker's purpose in so doing (R. 77) was to have the Otis Elevator Company take up his invention and put it in use. He was in no position to build them.

In May, 1922, (R. 77) Mr. Parker went to Europe. On July 15, 1922, he wrote (R. 77) the plaintiff company as follows:

"c/o Bank of New South Wales,
29 Threadneedle Street,
LONDON, E. C., 2 ENGLAND,
15th, July, 1922.

*The Otis Elevator Co.,
11th Avenue and 27th St.,
New York City, U. S. A.
Attention Mr. Lindquist*

DEAR SIRS:

Some six months ago I submitted for your consideration a patent* dealing with elevator control. Early

* He was evidently referring to his application for the Patent including the drawing which he had previously submitted to Mr. Lindquist. (R. 76.)

in May, just prior to my departure from the United States, I was informed by your Mr. Lindquist that the matter was receiving consideration, but that no definite decision had then been reached. May I ask if you have come to a conclusion yet? I should be glad if you would let me know the present status of the matter.

Yours faithfully,
(Signed) HUMPHREY F. PARKER."

It will be noted that this letter, sent in the ordinary course of business, states that "I was informed by your Mr. Lindquist that the matter was receiving consideration" and "that no definite decision had then been reached." In view of this undisputed evidence it is difficult to understand how the defendants have the temerity to assert that after the Parker invention was submitted to it in 1922, plaintiff gave it no further attention until after the defendants installed their automatic stopping elevators. There can be no doubt that it was given careful consideration and that within two years after it was submitted the plaintiff incorporated the Parker signal control in its elevators in the Standard Oil Building in New York, and that Parker's invention and disclosure formed the basis for plaintiff's "Signal Control" elevator business.

Mr. Crabbe, one of plaintiff's engineers who had to do with that installation, testified (R. 228) that for a number of years (R. 264) there was a want for such a control in the elevator industry and that he first heard of the problem being solved by Parker about two years before the Standard Oil installation when Parker's invention was explained to him by Mr. Lindquist.

Mr. Crabbe further testified (R. 264) that notwithstanding the corps of skilled elevator engineers of the Otis Elevator Company knew for at least six years prior to Parker that there was a want for a type of elevator that would function in the manner shown in the Parker patent, no one to his knowledge, in the Otis Elevator Company, had solved that problem.

So certain does the Parker control afford the foundation of plaintiff's Signal Control elevators as well as defendants' the *uncontradicted* and *undisputed* fact testimony from a practical elevator engineer of nearly thirty years' experience shows (R. 199)—

“Signal control is not possible without a device such as the Parker patent.”

There is not one line of evidence in the entire record to dispute this established fact.

“There is a constantly increasing demand for the signal control. It is being accepted as the best or standard for the very highest type of buildings. This is due primarily to the satisfactory operation and the demonstration, by actual installation of the success of the type for the purpose for which it has been installed.” (R. 60.)

“The approximate sale of these signal control elevators by the Otis Elevator Company throughout the country since they were first put out” * * * up to April, 1929, were “about \$33,000,000.00.” (R. 59.)

When Parker submitted his application to Mr. Lindquist he showed him how to solve the problem. Thereafter in 1924, the plaintiff installed Parker's control in connection with elevators in the Standard Oil Building in New York.

The Parker control was applied to plaintiff's multi-voltage elevators. The undisputed evidence shows that these “Car Switch” controlled multi-voltage elevators were known “back beyond” 1921 (R. 208), and were in operation in the Telephone Building in Seattle as early as 1920. These also had means for accelerating and decelerating the car. (R. 116, 121.)

The Standard Oil installation in New York was made in 1924, long before defendants did any work along this line.

Shortly after trying out the installation in the Standard Oil Building the plaintiff, when next contacting Mr. Parker, September, 1925, after his return from Europe (R. 78), lost no time in consummating the purchase of the Parker

patent. This was for its own protection as it had utilized the Parker control after having it submitted to its chief engineer, Mr. Lindquist, and he had in turn explained it to other of plaintiff's engineers, about two years before the Standard Oil installation.

The purchase of the patent and the filing of the reissue application was completed long before defendants installed the elevators at the Pacific Finance Building and before plaintiff had any knowledge of any of defendants' work along the automatic stopping line.

There is no justification in the record for defendants' oft repeated statement that plaintiff purchased the Parker patent and reissued it after having knowledge of defendants' signal control installation.

Defendants cite the testimony of Gaylord as a basis for such assertion, but a reading of this testimony will show it is a far cry from establishing any such fact, but proves the contrary if anything.

Gaylord (R. 423) who was connected with the Elevator Supplies Company, testified that he furnished the signal selector for defendants' installation in the Petroleum Securities Building in 1925. He took a Mr. Keller and two other salesmen from the *branch office* of the Otis Elevator Company to the Petroleum Securities Building to show them the *selective signal system* which had to do with the signals and he "*thinks* they examined the other equipment in the penthouse in addition to what" he explained to them.

He said (R. 427) they were there about ten or fifteen minutes and that he took practically all that time to explain to them his signal equipment. Any inference that these representatives learned anything about defendants' automatic stopping push button controls is completely refuted by plaintiff's witness Keller (R. 512).

Keller testified (R. 513) that he went to the Petroleum

Securities installation with Gaylord, Sauter and Selenta to see certain equipment of the Elevator Supplies Company as Otis was figuring on using such equipment in an installation at Pasadena. The selective signal equipment is that equipment which is used to signal or to register the signals of the waiting passengers and that is the equipment they looked at. There is no testimony that they saw anything else that was there and there is no proof to show that there was any Automatic Stopping Control there on the occasion of this visit.

Keller says they saw nothing of the kind.

POINT IV.

IT IS NO CONCERN OF THE DEFENDANTS AS TO HOW MUCH PLAINTIFF PAID FOR THE PARKER PATENT. DEFENDANTS PAID NO PART OF IT BUT INSTEAD, AFTER ITS CHIEF ENGINEER, BARUCH, HAD LEARNED OF PLAINTIFF'S STANDARD OIL INSTALLATION EMBODYING THE PARKER CONTROL DEFENDANTS DELIBERATELY APPROPRIATED PARKER'S INVENTION.

Defendants' contentions in this connection are well disposed of by the Court of Appeals for the Sixth Circuit in *Troy Carriage Sunshade Co. v. Kinsey Mfg. Co.*, 247 Fed. 672, where the court, holding the patent there involved valid and infringed, said, speaking through Circuit Judge Denison (p. 676) :

“We find nothing of importance in defendants’ favor to be drawn from the commercial history of the patent and the device. Plaintiff’s manager devised a windshield and plaintiff put it on the market. It was sometime afterwards practically copied by the defendant. Plaintiff’s manager undertook to get a patent on his construction, and failed to do so on account of the existence of the Lingley patent, disclosed to him in the Patent Office. Plaintiff then bought the Lingley patent, and continued to exploit the device commercially on a very large scale. If, as is held in the *Paper Bag*

Case, 210 U. S. 405, 28 Sup. Ct. 748, 52 L. Ed. 1122, a patent is not to be denied its reasonable and apparent validity and scope merely because its owner had deliberately withheld it from commercial use, much less can such denial be claimed, where the first owner, for unknown reasons, did not get it into public use, but where the second owner has put it into very general use. The fact that the second owner discovered the patent in the Patent Office and made the first move to buy it, and bought it for a small price, cannot be of much, if any, importance. The patent must stand or fall on its own merits.”

POINT V.

NO INTERVENING RIGHT OR ESTOPPEL.

The proofs show that the defendants' installations, at the Pacific Finance Building in Los Angeles, complained of were not completely installed and ready for automatic stopping control until long after the filing of the Parker reissue application and after the allowance of the reissue patent by the Patent Office.

Defendants' witness DeCamp, after testifying that the first of defendants' elevators installed in the Pacific Finance Building was *operated on manual control* until March, 1926, the second until March 3, 1926, the third until March 27, 1926 and the fourth until May, 1926, was forced to admit (R. 392) that during the time these cars were operated as *manually controlled cars*

“there were no push-buttons in the cars for automatically stopping the cars during that time.”

Thus it is clear that the application for the Parker reissue patent was filed (November 13, 1925) months before any of these elevators complained of were complete and ready for automatic control.

De Camp further testified that he made or caused to be made drawings for the Pacific Finance Elevators after

Baruch, defendants' Vice-President and Chief Engineer, told him in October, 1925 (R. 396) that he wanted an "*Automatic Stop Control*" for those elevators and that he, Mr. Baruch, told him he had previously seen the Otis installation in the Standard Oil Building in New York City (R. 396).

Mr. Baruch, defendants' chief engineer, testified that he went over the Otis Signal Control installation in the Standard Oil Building in New York possibly in 1924 and that later, in 1925, during a conversation with Mr. Bradley of the plaintiff company, he was told by Mr. Bradley that the Otis Elevator Company "had just purchased" the Parker patent and that "it was being reissued" (R. 127). He further testified (R. 129) that in general he "understood the operation of the signal control system when" he "first saw it in the Standard Oil Building in New York" and that (R. 131) he did not remember whether or not he did or he did not tell Mr. Bradley that he had advised Llewellyn Iron Works to purchase the Parker patent.

It is therefore fair to assume that with knowledge of plaintiff's signal control installation the Llewellyn Iron Works proceeded to and did put out their infringing elevator because of "the necessity * * * of using" (R. 395) such control for the Pacific Finance Building.

The defendants in attempting to show an intervening right, offered some testimony concerning an installation made by the Llewellyn Iron Works in the Petroleum Securities Building.

On cross-examination defendants' witness De Camp testified (R. 395):

"As to whether the automatic stopping control apparatus installed in the Petroleum Securities Building was ever paid for, I believe that was purely experimental."

There is no adequate showing that the experimental in-

stallation in the Petroleum Securities Building ever embodied in regular operation, the Parker invention for otherwise there is no accounting for the testimony of Mr. De Camp when he testified (R. 399) that prior to making the drawings for the Pacific Finance installation *he had never seen a drawing or description of any devices or elevators which were started only by an attendant operating a switch within the car and which could be automatically stopped either by pushing buttons within the car or from the landing and the starting could not be done from the push buttons.*

Mr. De Camp did very definitely testify (R. 373) that in the Pershing Square Building they had an experimental layout in which the car was to be stopped automatically by throwing the car switch to neutral position in the zone preceding the slow down and stopping zone and that this was called "automatic slow down and stopping" and that (R. 374) "this scheme of automatic slow down and stopping was later incorporated in the Petroleum Securities car."

This character of stopping from the car switch was a manual control of both starting and stopping.

It is further demonstrated by the testimony of De Camp (R. 375) what was meant by this slow down machine which was being investigated for when he produced the drawings which are alleged to be for the Petroleum job he says Defendants' Exhibit S-1 shows a section of *slow down and leveling machine*, and (R. 376) defendants' Exhibit S-3 covers details on the cam-closed switches for the automatic stopping and slow down machine of his *manually controlled stopping* by the actuation of the car switch.

He then goes on to produce certain diagrams marked Defendants' Exhibits S-5, S-6, S-7, S-8, and S-9, but he does not explain these drawings or say when, if at all, the particular circuits there shown were incorporated in the

Petroleum installation. He does say (R. 377) that the function of the selector or signal machine used in this installation, was to illuminate the lanterns in the halls in front of the elevators to indicate to the waiting passenger that the car was approaching his landing, and *also to light an operator's car flash* at approximately one and a half or one and three quarters floors preceding the stop at the landing, *to indicate to the operator that he was to make a stop at the landing.* This can only mean manual car switch stopping.

He then goes on to say that later (R. 378) the set up was changed so that the car functioned to stop automatically in response to the hall buttons, but he does not testify when this was done. He does, however, say (R. 378) the No. 4 car was turned over for regular passenger use equipped with automatic stopping by a test which (R. 379) he says was made on August 4, 1925. He does not even state that at that time this car was equipped with controls whereby the car could only be started by the operator in the car and stopped automatically by pushing buttons either in the car or on the landings.

The fact that he says the car was turned over with "automatic stopping" means nothing for as we have pointed out what he meant by "automatic stopping" (R. 373) is one in which "the car was to be stopped automatically *by throwing the car switch* to neutral position in a zone preceding the slow down and stopping zone," which he called automatic leveling or automatic slow down and stopping.

Had there been an adequate showing that the *single* installation in the Petroleum Securities building in 1925, embodied the Parker invention (which there was not) the installation was admittedly "*purely experimental.*" The apparatus was in no wise sold; it was in no wise put on the market; no part of any installation showing any automatic stopping control was disclosed to the plaintiff or to the pub-

lic nor was there any knowledge of any automatic stopping control means brought home to the plaintiff or any of its representatives until after the completion of the Pacific Finance installation, subsequent to the grant of the Parker reissue patent.

The asserted proof concerning this "purely experimental" installation at the Petroleum Securities building utterly fails to establish an intervening right or estoppel even if defendants had been in a position to urge such a defense here, which they are not, having been infringers of original claim 3 from the outset.

The situation here is not to be confounded with cases where the defendant innocently and in good faith put on the market commercially a device which was entirely outside of the original patent and infringed none of the claims and was only converted into an infringement by the plaintiff subsequently, with full knowledge of defendants' device, obtaining through reissue, broad claims to cover such device.

The first eleven claims of the Parker reissue patent are identical with the claims of the original patent. The specification and drawings are identical.

The claims obtained by reissue which do not appear in the original patent make no attempt to cover any different or other invention than that disclosed in the original patent, but more adequately express that invention.

The application for the reissue was filed less than fifteen months after the grant of the original and well within two years. (*Topliff v. Topliff*, 145 U. S. 156, 170.)

There is no showing whatever that these defendants, or either of them, innocently and in good faith, or otherwise, put on the market commercially, or into established commercial use automatic stopping elevators which did not infringe the original patent and which infringed the reissue

only. On the contrary the proofs show that it was after defendants' chief engineer, Baruch, saw and examined plaintiff's signal control elevators embodying the Parker control in the Standard Oil Building in New York that he suggested using circuits and push buttons for automatically stopping the car but which was manually started only by the operator in the car (R. 378, 395, 396). The burden is on the defendants to make such showing by clear and satisfactory evidence in order to present an intervening right or estoppel if they were in a position to do so, which they are not.

There is no showing whatever that the plaintiff had any knowledge, prior to the grant of the reissue, of the "purely experimental" work, which is asserted was done in 1925 or that it was done openly and with full notice to the public so that knowledge could be imputed to the plaintiff, such as sometimes happens where a device is put on the market openly and extensively.

On the contrary, the evidence tends to show that whatever, if anything, was done at the Petroleum Securities Building in 1925, beyond manual operation of the car switch in both starting and stopping, was secretly done and covered with a hood. (R. 513, 546, 547.)

Mr. Parker, patentee who owned this patent until about the time the reissue was filed, testified that he knew nothing about any work of the Llewellyn Iron Works, had never heard of it until shortly before he testified in this case (R. 80).

Defendants' lame attempt to inferentially impart knowledge by calling its witness Gaylord of the Elevator Supplies Company who testified (R. 423) that he took three of the Otis salesmen from plaintiff's Los Angeles branch to the Petroleum Securities Building to see the *signal machine* which he (Gaylord) was selling and he *thought* while they were there they casually examined other equipment, was completely exploded by plaintiff's witness Keller (R. 513).

Again the defendants have set forth in their brief entirely misleading statements of the facts testified to by Gaylord and Keller.

Gaylord, who was employed by the Elevator Supplies Company, testified that he had sold to the Llewellyn Iron Works for use on the elevators in the Petroleum Securities Building certain "signal equipment" (R. 423) which (R. 424) "had to do with signals" that he took Sauter, Keller and Selenta, salesmen at the Los Angeles branch of the plaintiff Company (R. 423), over to the installation (R. 426) because Mr. Sauter requested to see the signal equipment; (R. 427) that he primarily explained this signal equipment as it was a new development of Gaylord's company and naturally that is what he was interested in explaining; that these were signals that indicated to the passengers the approach of an elevator and the signals which indicated to the operator that a call has been initiated and that the car is to stop and take on passengers at a landing; that they had nothing to do with the automatic stopping of the car through the pushing of buttons within the car; that they were there about "ten or fifteen minutes" and Gaylord "took practically all of that time in explaining" his signal equipment; that (R. 424) he "*thinks* they examined other equipment in the penthouse."

He further testified (R. 428):

"I do not remember that the car was stopped by any hall buttons while it was being operated on the occasion of our examining that structure. I do not remember whether there was any comment about that during the time we were there."

It is on the testimony of this *single* witness, who is not able to testify that these salesmen were shown or even told there was an installation in the Petroleum Securities building, which was provided with control means whereby the car was automatically stopped from push buttons in the car or at the landings and manually started by the operator

in the car, on which defendants attempt to base their alleged intervening right. There is not the slightest intimation that these salesmen ever passed on any information to their superiors of even the signal system much less the automatic stopping control.

Keller, one of plaintiff's employes referred to by Gaylord, was called as a witness on behalf of plaintiff (R. 512). He testified that he went with Gaylord together with Salenta and Sauter to examine equipment manufactured by the Elevator Supplies Company (R. 513) which was proposed to be used on a job in Pasadena, and looked over the master signal equipment, that is, equipment to register, *in the car*, the signals of the waiting passengers.

He further testflied (R. 513) that they went up into the penthouse and casually saw a number of machines, and that they saw a metal hood covering some appliance and was informed by Gaylord that it was some new device that the Llewellyn people were experimenting on but that he did not know much about it, and that was about all that occurred. (R. 514.)

Keller further stated that they were not in the penthouse over five or ten minutes, and that they came down in elevator No. 4, but he does not think it was operating on any push button system at that time which (R. 516) occasion was probably early in July, 1925.

He further testified that (R. 517) they "heard a clacking noise in something" and inquired of Gaylord what it was, but "he did not tell them it was some new equipment for automatically stopping the No. 4 car". He simply said it "was some new device that Llewellyn was trying out," that he did not know much about it; and he "did not show them the two wires that led from the selector machine over to the hoisting equipment of the No. 4 car. I am positive of that." (R. 518.)

The testimony of this witness further completely con-

tradicts the assertion in defendants' brief that these salesmen on that occasion saw or examined the control whereby the car could be started by the operator within the car but could be automatically stopped by push buttons either in the car or at the landings or that they were informed such control was there utilized.

Obviously if they did not know there was any such control there and they were not informed there was they could not possibly pass the information on to their superiors.

Defendants in their brief make some comment to the effect that the two salesmen, Sauter and Selenta, were not called. Obviously there was no reason for calling them if available as there was nothing to refute.

There is not a single witness supporting the extravagant statements in defendants' brief at pages 210 and 211, in their desperate attempt to bring home notice to the plaintiff that there was utilized in the Petroleum Securities No. 4 elevator or any other elevator there, a control whereby the car could be started only by the attendant in the car but could be automatically stopped by pushing buttons either in the car or at the landings.

Defendants' positive statements on this point are a fair example of many unwarranted statements in their brief.

Defendants' in their brief (p. 208) say:

"Defendants' allegedly infringing elevator system was installed in No. 4 car of the Petroleum Securities Building and placed in operation on August 4, 1925 (R. 375)."

This statement is not supported at page 375 of the record or elsewhere.

Defendants' counsel further says on the same page of their brief—

"The elevator was independently designed by Messrs. Baruch, De Camp and Walker of defendant,

Llewellyn Iron Works, without any knowledge of the original Parker patent (R. 127, 138)."

Likewise this statement is not supported on the cited pages of the record or elsewhere, but on the contrary, defendants' chief engineer, Baruch, admits he had seen and examined plaintiff's signal control elevators prior to the time defendants equipped any of their elevators with circuits and mechanisms whereby the car could be started only from within the car by the operator and whereby the car was automatically stopped by push buttons either in the car or at the landings without any action on the part of the operator after the starting mechanism had been thrown in operation (R. 395, 396, 398). In fact defendants' witness, De Camp, admits (R. 378) :

"I believe Mr. Baruch suggested the idea of using the existing signal system for the purpose of automatically slowing down and stopping an elevator car."

Defendants' counsel attempts to leave the impression that the drawings of the proposed Petroleum Securities installation, submitted by Baruch to Mr. Leonard Lyon's brother, Richard, was directed to the control here charged to infringe, but when we examine the testimony of their own witnesses it becomes apparent what they there meant by the term "automatic stopping elevator."

Defendants' witness, De Camp (R. 373) after producing drawings alleged to pertain to the Petroleum Securities installation, said:

"What I produced a little while ago was a drawing of an experimental layout, in which the car was to be stopped automatically by throwing the car switch to neutral position in a zone preceding the slowing down and stopping zone.

"It is called *automatic leveling* or *automatic slow-down and stopping*."

It is thus clear that De Camp used the term "automatic slow down" or "automatic stopping" to include a set up

by which the car was stopped by throwing the car switch to neutral position, that is *a manual control*.

De Camp further testified (R. 373) :

“The drawing was made under Mr. Walker’s direction, and I saw it when the drawing was made in July, 1924.

“This arrangement was embodied in an experimental installation at the Pershing Square Building in Los Angeles.”

(R. 374) :

“The purpose of this experiment was to automatically slow-down and stop a high-speed elevator car, that is, a car running say 600 feet per minute, in steps of diminishing resistance to bring the car to a level with the landing.

* * * * *

“*This scheme of automatic slow down and stopping was later incorporated in the Petroleum Securities car and the Pacific Finance car.*”

It is thus apparent that when defendants’ witness De Camp refers to defendants’ automatic stopping elevator he includes those *prior* to the Pacific Finance installation which were started and stopped by the operator manipulating the switch in the car for controlling both the starting and stopping, that is, *a manual control*. He does not limit his designation to defendants’ elevator control, alleged to infringe, in which the starting was initiated solely by the attendant operator in the car and the stopping was automatically initiated by pushing buttons in the car or at any one of the various landings.

It is also clear that it was this “automatic slow down stopping arrangement” whereby “the car was to be stopped automatically by throwing the car switch to neutral position in a zone preceding the slow down and stopping zone” to which Mr. Lyon’s brother directed his attention in 1925 at the request of Mr. Baruch. Mr. Richard Lyon says Mr. Baruch showed him (R. 492) “a drawing of an

automatic stopping elevator, which" he "understood" Baruch "was constructing." Before examining the file history of the Parker patent he told Mr. Baruch (R. 493) orally "that the structure that they intended to put in was not an infringement of the Parker patent," but the thing he thought was not an infringement was the *slow down machine*, and not the control here involved.

On cross-examination Mr. Richard Lyon was forced to admit that he did not write any letters concerning the Parker original patent and that after a thorough search he was unable to find (R. 495) "any letter in which there is an opinion on the Parker patent." He further admitted there is nothing in writing relating to the Parker patent. "I did not make notes at the time or file my own notes."

It is further clear that the only thing he looked into for Mr. Baruch was with respect to the automatic stopping machines, *manually controlled from the car switch*, referred to by Mr. De Camp, as heretofore pointed out, for on further cross-examination Mr. Lyon was forced to admit (R. 495) :

"The opinion that we prepared or what Mr. Baruch particularly requested from me, was an opinion as to this *automatic stopping machine* that he designed, and this Parker patent I found in the files as an incident to that, and he wasn't much interested in it when I showed him what it was; so we didn't write any written opinion on that, but the written opinion all dealt with the *automatic stopping*."

In fact Baruch says (R. 138) the investigation was "on the matter of *accurately landing the cars*."

By keeping in mind De Camp's definition of a *car switch* *manually controlled*, automatic stopping elevator and by reading the testimony of Mr. Lyon's brother, it is thus clear that all he was requested to investigate by Mr. Baruch was the *slow down stopping machine*. This had nothing to do with the Parker invention which defendants are here

charged with using. The Parker patent was given very little consideration.

On page 210 of their brief defendants say:

"Based on the successful demonstration with the No. 4 car in the Petroleum Securities Building, and in accordance with the opinion of its attorneys that the system involved no patent infringement, the defendant Llewellyn Iron Works secured the contract for installing the allegedly infringing elevators in the new Pacific Finance Building."

and cites in support of this statement page 131 of the record. Neither that page nor elsewhere in the record is there any support for such statement.

There is not a line of evidence throughout the entire record that the No. 4 installation in the ~~Petroleum Securities Building~~ was ever successfully operated with the control here charged to be an infringement.

There is not a line of evidence in the record that defendants' counsel ever gave an opinion prior to the grant of the Parker reissue with respect to the control means utilized by the defendants whereby the car could be started only by the operator in the car and automatically stopped in response to pushing buttons either in the car or at any one of the landings. On the contrary there is some testimony that while investigating defendants' car switch manually controlled automatic slow down and *stopping machine*, the Parker patent was incidentally considered and some sort of an oral opinion given. There were no letters, records or data of any kind that could be produced showing what this was. Later on after the Parker reissue patent was granted and after the defendants had equipped the Pacific Finance installation with the Parker control a written opinion (R. 495) was given in April or May, 1926, by Mr. Lyon's father which opinion they refused to produce.

**MASTER CLEARLY RIGHT IN HOLDING AS A MATTER OF FACT
NO INTERVENING RIGHTS BETWEEN DATE OF ORIGINAL
PARKER PATENT AND THE APPLICATION FOR ITS REISSUE
AND THAT NO ESTOPPEL EXISTED.**

The Special Master, who heard all the testimony, and saw the witnesses on the stand, found from the evidence that the defendants had failed to establish any intervening right or estoppel. On this point he found as stated in his report (R. 588) — —

“Intervening Rights and Estoppel. The evidence shows that the original Parker patent, No. 1,506,380, was issued August 26, 1924, and that the defendants completed an experimental elevator, using a system of control similar to that found in the Pacific Finance installation on or about August 4, 1925. The working drawings for the Pacific Finance installation were finished October 22, 1925, and the first car was installed and ready for operation on March 4, 1926. The whole installation was complete and ready for automatic operation on May 11, 1926. On November 13, 1925, the plaintiff herein, who, in the meantime, had acquired title to the original patent, applied for a re-issue patent No. 16,297, which was issued March 23, 1926. With the exception of claim 3, all the claims in issue were allowed in the reissued patent. The Vice President and Chief Engineer of the defendant, Llewellyn Iron Works, Milton Baruch, was informed of the intention to apply for a re-issue by the plaintiff during November or December, 1925. The plaintiff did not acquiesce in defendants' manufacture and use of their control system. They applied promptly for a re-issue. The defendants continued their work after knowledge of the patent and, further, after Mr. Baruch knew of the intention to apply for a re-issue. The facts do not bring the case within the rule of any of the authorities cited by the defendants. The master considers the whole question to be immaterial, in that the re-issued claims in issue, with the exception of Claim 22, have no greater scope than Claim 3. Further, the infringement found as to Claim 3, if not in error, is decisive.”

The Master was clearly right in holding that the defendants had failed to establish facts to bring their alleged intervening right within any rule of law recognized by the courts.

The Master's *findings of fact* on the defense of intervening rights were confirmed by the lower court who held each of the claims valid over this defense. It is the duty of this Court to accept those findings unless they were clearly erroneous which they are not.

Defendants' whole argument on alleged intervening rights and estoppel is refuted by the evidence which satisfied both the Master and the lower court that Parker was entitled to both the original and reissue claims, the invention illustrated and described in both the original and reissue being identical.

In *Howe Machine Co. v. Coffield*, 197 Fed. 541 (C. C. A. 4) the defendant, attempting to establish an intervening right, was privy to a limited and intermediate manufacture and sale of an article which was only brought within the patent by the reissue claim. The court, after referring to the fact that this manufacture was not in any "substantial sense put upon the market before the complainant applied for its reissue" disposes of such proof when it said (p. 547) :

"In the atmosphere of a court of equity it usually takes longer than seven months and sixteen days for intentional wrongs to ripen into intervening rights."

This clearly indicates that the comparatively short sporadic "experiment" of the Llewellyn Iron Works, if it related to a device exhibiting the same invention as the reissue claims, and not the original claims is insufficient to create an estoppel, much less the incomplete, noncommercial experimental installation which the defense is claiming as intervening rights. There is no proper proof here of this "experimental installation" which the defense is claiming

as an intervening right. There is no proper proof here that this "purely experimental" installation, even if it had been proved beyond a reasonable doubt, which it was not, exhibited the invention of any of the claims here asserted.

In *Baldwin v. Abercrombie*, 227 Fed. 455 (Aff. 228 Fed. 895 C. C. A. 2) the application for reissue was filed February 5, 1913, about seven years after the grant of the original patent. The late Judge Mayer held the reissue patent there involved, valid and infringed. After referring to the fact that the defendant sold its first alleged infringing lamps in July, 1911, he stated at page 459:

"But there is no testimony showing that knowledge of such sale came to plaintiffs."

The court thus recognized that intervening rights are governed by the ordinary law of estoppel and that the alleged intervening rights to be availed of, must either be carried on so openly and extensively that plaintiff was bound to know about them, or that plaintiff had full knowledge of the alleged intervening rights and that after having such knowledge acquiesced in it thus misleading the defendant into establishing a business which otherwise it would not have established.

There is not a line of evidence in this record to show that the Otis Elevator Company, prior to the issuance of the reissue patent in suit, had any knowledge of the asserted "purely experimental" installation of the Llewellyn Iron Works.

The Supreme Court in the *Abercrombie case*, 245 U. S. 198, in referring to the lower courts holding the Baldwin reissue patent valid and infringed, said at page 209:

"To the contention that the Justrite Company, the manufacturing defendant, acquired rights before the reissue we again may oppose the reasoning and conclusion of District Judge Mayer and their affirmance by the Circuit Court of Appeals. The learned judge said: 'It will be remembered that this company en-

tered the field with its lamp at a time when the validity and scope of the Baldwin patent were still unquestioned and when after some five years of capable effort, the Baldwin lamp had created an extensive market. The Justrite Company took its chances and, in view of the necessities of the situation, it is relieved of all accountability for the period prior to the granting of the reissue patent; but when the reissue was granted the Justrite Company again took its chances.' "

Probably the leading case on reissue in the Ninth Circuit is that of *Woolwine Metal Prod. Co. v. Boyle*, 279 Fed. 609. The appellee Boyle had manufactured canteens since 1899. July 15, 1916, he applied for patent for a perfected type and the patent was issued June 19, 1917, having one relatively narrow claim limited to strap keepers secured in a particular way. In July, 1917, within a month after the patent was issued, the appellant put on the market a canteen for which one Frey applied for patent the same month. It was granted to him in October, 1918, and was assigned to appellant the same day. In November, 1917, Boyle started suit for infringement of his patent and in March, 1919, the bill was dismissed for non-infringement. Promptly afterwards, within six weeks Boyle applied for a reissue of his patent in said suit, the reissue being granted in July, 1919. It contained the original claim and five new claims which were not limited to the particularities of the one claim of the original patent, and although the appellate court in its opinion said that the identification in the new reissue claims, instead of broadening the original claim had the effect of narrowing it to more accurate description, the five new claims of the reissue were upon their faces broader than the original claim. The appellant continued manufacture of the canteen freed under the decree of the lower court in the first suit and in August, 1919, Boyle, the appellee, commenced suit on same against appellant under the reissue patent, withdrawing the charge of infringement

of the one claim of the original patent. In September, 1921, a decree was entered for plaintiff-appellee sustaining the validity of the reissue patent and finding all the new five claims infringed. From that decree the appeal to our appellate court was taken.

From the above it appears that defendant-appellant put its canteen on the market within a month after the original patent was issued and about a year and three-quarters before the reissue application. It contended in the suit under the reissue patent that it had intervening rights as the decree in the original suit made it *res adjudicata* that appellant-defendant had not taken the invention of Boyle. It was contended on the trial and appeal under the reissue patent that new matter had been injected into the reissue patent. On the reissue application, it remains to be said, the opinion of the trial court in the original suit was made a part of the papers, in support of the insufficiency of the original patent. The Frey application, filed before the first suit was started, was for elements as shown in the drawings of plaintiff's original patent, including features claimed in the reissue patent. Features were played up in the reissue claims which did not find expression in the claims of the original patent.

On this state of facts, with both the defendant's canteen and its patent application *in esse* prior to the first suit, our Circuit Court of Appeals by the learned Judge Morrow, citing *Topliff v. Topliff*, 145 U. S. 156, said with respect to sameness of invention and absence of intervening rights, page 612:

"We are of the opinion that the reissue patent in this case is for the same invention for which the application was made for the original patent; that the specification as originally drawn was defective and insufficient in describing the details of construction as shown by the drawings; that the original claim was likewise defective and insufficient, and did not fully cover the

elements of the invention; that these errors in both the specification and claim arose from inadvertence and mistake; and that the patentee was guilty of no fraud and deception in the application for reissue. We have stated the proceedings in the court and the terms of the decree under which the errors in the specification and claim were discovered, from which it appears that due diligence was exercised in discovering the mistakes in the original patent and in bringing them to the attention of the patent office authorities. We are of the opinion that the proceedings before the Commissioner of Patents and the application for reissue were in all respects regular and within the power and authority of that officer.

The five additional claims in the reissue patent need not be repeated here. They identify the various elements of the invention, following more accurately the details set out in the drawings and in the amended specification. This identification, instead of broadening the original claim, has the effect of narrowing it to a more accurate description of the actual invention.

The interlocutory decree of the District Court provides that the plaintiff (appellee) recover of the defendant (appellant) the profits and damages caused by defendant's infringement of the reissued patent subsequent to August 8, 1919. As the reissued patent is dated July 29, 1919, and this suit was commenced on August 15, 1919, we do not find that the defendant acquired any intervening rights as against plaintiff's rights under the reissued patent. *Abercrombie & Fitch Co. v. Baldwin*, 245 U. S. 198, 209, 38 Sup Ct. 104, 62 L. Ed. 240.

The decree of the District Court is affirmed."

Even if the Llewellyn Iron Works had, prior to the application for reissue, manufactured, sold and put upon the market the automatic stopping control elevators here complained of in a substantial way (which admittedly it did not) it further would avail it nothing as its installations infringe claim 3 of the original patent here asserted and it would have "entered the field" with its automatic stopping control elevators "at a time when the validity and scope of

the" Parker "patent were still unquestioned" and after the plaintiff had created a demand for the Parker invention.

In *Traitel Marble Co. v. Hungerford Brass & Copper Co.*, 18 F. (2d) 66, the Court of Appeals for the Second Circuit (Manton, Hand and Swan, Circuit Judges) in disposing of the usual defenses to a reissue patent and holding the reissue patent there involved valid and infringed said at page 69:

"There could be no intermediate rights acquired in the face of a valid patent adequately claimed."

Neither of the defendants here can claim that after the reissue they acquired any rights because of the original patent was inadequate to cover the automatic stopping control elevators experimentally installed by the Llewellyn Iron Works in 1925. On this point the language of the Court of Appeals for the Second Circuit (*Iowa Washing Mach. Co. v. Montgomery Ward & Co.*, 234 Fed. 88) is apposite. It said (p. 89):

"We are unable to find that any rights were acquired by the defendant because of the inoperative claim of the original patent. Its act was an open appropriation of the complainant's property when the expiration of prior patents enabled it to use the machines of those patents legally if it had desired to do so. Instead of using the prior art machines it copied all the valuable features of the patent in suit. The defendant acquired no rights based upon the original patent. It began its infringement after the reissue and cannot successfully contend that it invested its money relying upon the invalidity of the patent, or the insufficiency of the claim properly to protect the invention. It entered the field deliberately and with full knowledge of all the facts."

Forfeiture by estoppel involves default on the part of a plaintiff having knowledge of the facts out of which the estoppel grew, and the further fact that the defendant was acting in good faith having been misled to his injury by

plaintiff's acquiescence in what he knew defendant was doing or by his failure to promptly assert adverse claims of right when informed of defendants' action.

Estoppel involving forfeiture of right is not to be favored where there is no actual wrong done by plaintiff and where the plaintiff has acted within his statutory rights, and deceived nobody, and when he has not remained silent while others, with his knowledge were innocently building up adverse rights.

In *Brant v. Va. Coal & Iron Co.*, 93 U. S. 326, the law of equitable estoppel is thus stated:

"For the application of the doctrine of equitable estoppel, there must generally be some intended deception in the conduct or declarations of the party to be estopped, or such gross negligence on his part as amounts to constructive fraud, by which another has been misled to his injury.

"Where the estoppel relates to the title of real property, it is essential to the application of the doctrine, that the party claiming to have been influenced by the conduct or declarations of another was himself not only destitute of knowledge of the true state of the title, but also of any convenient and available means of acquiring such knowledge. Where the condition of the title is known to both parties, or both have the same means of ascertaining the truth, there is no estoppel."

In *Ketchum v. Duncan*, 96 U. S. 659, the court said (p. 666) :

"An estoppel *in pais* does not operate in favor of everybody. It operates only in favor of a person who has been misled to his injury, and he only can set it up."

Again in *Morgan v. R. R. Co.*, 96 U. S. 716 (p. 720) :

"He is not permitted to deny a state of things which by his culpable silence or misrepresentations he had led another to believe existed, and who has acted accordingly upon that belief. The doctrine always presupposes error on one side and fault or fraud upon the

other, and some defect of which it would be inequitable for the party against whom the doctrine is asserted to take advantage."

Defendants here are in no position to set up intervenings rights if they existed (which they do not) for their infringing installations apparently resulted from suggestions of Mr. Baruch, chief engineer for the Llewellyn Iron Works who had previously seen plaintiff's signal control elevators in the Standard Oil Building in New York City, and plaintiff's patent. *Coffield v. Howe*, 190 Fed. 42, 47 (C. C. N. D. W. V.) Aff'd 197 Fed. 541 (C. C. A. 4); *Alberger Gas Engine Co. v. Ross Heater & Mfg. Co.*, 285 Fed. 35, 39 (D. C. W. D. N. Y.).

CASES CITED BY DEFENDANTS NOT APPLICABLE.

The defendants in their brief refer to the Ashland Fire Brick case in the Sixth Circuit, the Keller case in this circuit and others, but none of them has any application here—

First, because in the cited cases, an intervening use was definitely and clearly established by proper proof, and

Second, the thing on which the intervening use was based was not an infringement of the patent asserted but was only brought within the patent by the reissue claims.

Here the defendants have utterly failed to establish by proper proof intervening use of anything much less the control here involved.

The Master and the lower court with the full facts before them have so held. Had an intervening use embodied substantially the same control as here alleged to infringe (of which there is no proof) then the defendants were guilty of a tort from the outset and cannot, in a court of equity, set up an estoppel based on a wrong. This well established rule of law is admitted by defendants. (Brief, p. 208.)

POINT VI.

DISCLAIMER.

Defendants' contention with respect to their assignment of error (R. 659) that—

“The court erred in denying the motion of defendants to dismiss the bill of complaint herein on the ground that plaintiff unduly delayed in filing its disclaimer as to claim 37 of said reissue letters patent.”

briefly summarized are:

(1) That no exception having been taken to the Master's report, plaintiff was under obligations to file its disclaimer immediately upon the filing of the Master's report; and

(2) That the lower court was wrong in holding (R. 633) :

“Where no *final decree* is made adjudging any claim of a patent to be invalid, the patentee is not required to disclaim.”

and—

“There was *no decree* interlocutory asked for to confirm the report as to the finding of invalidity for lack of exception taken, * * * the matter remained at large and the commencement of the reasonable time within which the plaintiff might disclaim would be the *entry of such decree*. I am, therefore, of the opinion that the motion to dismiss should be denied, and it is so ordered.”

Supplementing what we have said in our original brief, we propose to further answer these two propositions specifically.

DISCLAIMER POINT I.

EXCEPTION NO. 3 (R. 592) TAKEN BY THE DEFENDANTS REQUIRED THE COURT TO PASS UPON THE VALIDITY AND INFRINGEMENT OF CLAIM 37 IF THIS CLAIM HAD NOT, PREVIOUS TO THE DECISION OF THE COURT, BEEN DISCLAIMED BY PLAINTIFF.

The defendants take the position that because plaintiff filed no exception to the Master's report his conclusion of law became final as to claim 37 and the lower court could not pass upon the questions of

- (1) whether claim 37 was sufficiently definitive under Section 4888 of the Revised Statutes,
- (2) whether it was valid, or
- (3) whether it was infringed.

We insist that there is no basis for any such contention, because *an exception was filed by the defendants themselves*, which required the trial court to determine the validity and scope of claim 37, had the plaintiff (five months previous to the lower court's decision) not filed its disclaimer.

Defendants' assignment, which would have required the lower court to pass upon the validity and infringement of claim 37 had the plaintiff not filed its disclaimer, reads (R. 592) :

“3. The Master erred in failing to find that the structure manufactured and installed by Llewellyn Iron Works and used by defendant Pacific Finance Corporation does not infringe Claim 37 of the Reissued Letters Patent in suit.”

This assignment necessarily involved—

First. The validity of Claim 37; and

Second. Whether that claim, if valid, was infringed.

Defendants themselves admit and cite cases to support the proposition that (brief, p. 5)—

“Defendants can urge the cross-assessments of error on plaintiff's appeal—

Walker on Patents (6th Ed.) pp. 772, 774.

Electric Gas Lighting Co. v. Fuller, 59 Fed. 1003
(C. C. A. 1st Cir.).

Crown Cork and Seal Co. v. Aluminum Stopper Co., 108 Fed. 845 (C. C. A. 4th Cir.).

United States Consolidated Seeded Raisin Co. v. Selma, 195 Fed. 264 (C. C. A. 9th Cir.).

The cross-appeal was taken solely to preclude any argument that the defenses to which the cross-assignments of error relate are before this Court for consideration."

See, also:

Mills Novelty Co. v. Monarch Co., (C. C. A. 6), 49 F. (2d) 28, 29.

Six Wheel Corp. v. Sterling Co., (C. C. A. 9), 50 F. (2d) 568.

Herman Body Co. v. St. Louis etc. Co., (C. C. A. 8), 46 F. (2d) 879.

Certainly if defendants can urge invalidity, inoperativeness, intervening rights and delay in filing disclaimer, etc., on plaintiff's appeal, plaintiff would clearly have been entitled to urge before the lower court any questions raised by defendants' exceptions, and as defendants excepted to the Master's findings as to claim 37, (had the disclaimer not been filed), plaintiff would have been at liberty, under defendants' assignments, to have argued the validity and scope of claim 37. Therefore the Master's report as to claim 37 did not stand confirmed for failure to file exceptions.

The situation is precisely the same as though plaintiff had excepted to the Master's conclusion of law with respect to claim 37, and while such exception was pending undecided, plaintiff concluded to and did file a disclaimer.

Defendants' exception of error No. 3 above referred to is a complete refutation of defendants' contention that the Master's report was final as to claim 37, and an admission that it is not.

Defendants saw fit in filing their exception No. 3 to require the trial court to pass upon the question of the validity of claim 37 and its infringement, and it is now in no position to insist that had the disclaimer not been filed by plaintiff, the Master's report was not reviewable concerning his ruling on claim 37.

The defendants having excepted to the Master's report as to claim 37 and that assignment of error having been under the consideration of the lower court for seven months prior to the filing of the disclaimer, and the disclaimer having been filed five months before the lower court handed down its opinion, plaintiff would have been clearly entitled to await the lower court's ruling on defendants' exception No. 3, and the entry of a decree based thereon made by a *competent court* before taking any action with regard to filing any disclaimer even though one was necessary, which it was not.

Once a *decree* had been *entered by a competent court*, plaintiff could have then taken an appeal to this Court and have had the question raised by defendants' exceptions considered by this Court, had the lower court adopted in its decree the conclusion of law of the Master with respect to claim 37.

Plaintiff filed its proper, though unnecessary, disclaimer nearly five months before the decree of the lower court was entered. Plaintiff would then have had thirty days in which to determine whether it had to take an appeal from any decree of the lower court based on defendants' exception No. 3 before any time would be running against it under the disclaimer statutes, if it had not filed a disclaimer.

Under such circumstances, defendants' contention that the Master's opinion was *final* as to claim 37 and that no exception was taken thereto is without foundation in fact or substance.

DISCLAIMER POINT II.

HAD THERE BEEN NO EXCEPTION FILED WHICH REQUIRED THE LOWER COURT TO PASS UPON THE VALIDITY AND INFRINGEMENT OF CLAIM 37, THIS WOULD NOT HAVE PREVENTED THE LOWER COURT FROM CONSIDERING, EITHER SUA SPONTE OR AT THE INSTANCE OF THE PLAINTIFF, EITHER

- (a) THE QUESTION OF LAW AS TO WHETHER CLAIM 37 COMPLIED WITH SECTION 4888 OF THE REVISED STATUTES, OR
- (b) THE QUESTION OF LAW WHETHER THAT CLAIM IS INFRINGED.

THE FAILURE TO FILE EXCEPTIONS TO A MASTER'S CONCLUSIONS OF LAW DOES NOT PREVENT EVEN THE COURT OF APPEALS FROM REVIEWING THOSE CONCLUSIONS AFTER A DECREE OF THE LOWER COURT.

THE RIGHT OF A LOWER COURT OR A COURT OF APPEALS TO REVIEW CONCLUSIONS OF LAW IS NOT TO BE CONFUSED WITH DECISIONS AS TO FINDINGS OF FACT MADE EITHER BY THE MASTER OR THE LOWER COURT.

THE QUESTION OF WHETHER THE LANGUAGE OF CLAIM 37 IS SUFFICIENTLY DEFINITIVE UNDER REVISED STATUTES SECTION 4888 IS A QUESTION OF LAW AND NOT OF FACT.

We have already shown that under defendants' exception No. 3, the lower court would have been required to pass upon the questions of validity and infringement of claim 37 of the Parker patent had the disclaimer with respect thereto not been filed, about seven months prior to the entry of the decree (R. 646) on November 30, 1931.

We shall now proceed to show that had no exceptions been taken to the Master's report and no disclaimer filed, the lower court was right in holding that—

“where no *final decree* is made adjudging any claim of a patent to be invalid, the patentee is not required to disclaim.”

and that question of validity of claim 37

“remained at large and the commencement of the rea-

sonable time within which the plaintiff might disclaim would be the *entry of such decree.*"'

and that the question of law as to whether claim 37 of the Parker patent is sufficiently definitive under Revised Statutes Section 4888 could have been determined by the lower court *sua sponte* or at the instance of the plaintiff had no exceptions been taken.

Under the authorities it is well established that questions of law may be considered by the lower court whether exceptions thereto were taken to the Master's report or not. The decisions hold that even the Court of Appeals may likewise review conclusions of law, with or without assignment of error.

We have pointed out in our original brief that the case of *Ensten v. Simon Ascher Co.*, 282 U. S. 445, upon which the defendants rely, affords no basis for their motion. We pointed out that in that case an interlocutory decree by a "*competent court*" was entered May 24, 1922, adjudging claims 1, 3, 4 and 5 of the patent there in suit valid and infringed, and *held claim 2 invalid in view of the prior art*. In other words, this *decree* of a "*competent court*" held that claim 2 included more than that of which "the patentee was the original or first inventor or discoverer."

The time for appealing from this interlocutory decree of the "*competent court*" was thirty days. The plaintiff might have appealed from that portion of the decree holding claim 2 invalid in view of the prior art, but did not do so, and thereby waived its right to any further review by any court.

Notwithstanding that no appeal was taken from the interlocutory decree of a "*competent court*" of May 24, 1922, and plaintiff had waived its right to appeal as to claim 2, it waited nearly two years (April 30, 1924) to file a disclaimer in the Patent Office.

Under these circumstances, the lower court (Judge Westenhaver) 13 F. (2d) 132 and the Court of Appeals of the Sixth Circuit 38 F. (2d) 71, held that the patentee had unreasonably neglected and delayed disclaiming claim 2 after the District Court in Ohio had decreed it invalid, from which decree no appeal was taken and from which no further appeal could be taken.

The Supreme Court in affirming the decisions below held (282 U. S. 445, 455) :

“When a *competent court* has declared his” (the patentee’s) “pretentions without sufficient foundation, we think good faith and the spirit of the enactment demand that he act with such promptness as the circumstances permit either to vindicate his position or to relieve the public from further evil effects of his false assertion. But for the benign provisions of the statute, such an assertion would invalidate the whole patent; and these provisions were intended to protect only those who by prompt action either seek to overturn an adverse ruling or retreat from a false position.”

The “*adverse ruling*” referred to in the last sentence by the Supreme Court is obviously a decision or decree of a “*competent court*,” and must be read with the whole quotation and not as defendants attempt to interpret this ruling.

In the Ensten case the “*competent*” lower court held claim 2 invalid in view of the prior art. The plaintiff might have appealed from that decision within thirty days and thus secured an early determination of his rights. Having failed to do this and the time for appeal having elapsed, the decree of the trial court became final and no further appeal could be taken therefrom under the statutes.

The Ensten case is not applicable here, for here there has been no decree of a “*competent court*” holding claim 37 invalid. The disclaimer was filed while this claim was before the lower court both on defendants’ exception No. 3

and because the legal conclusion of the Master was "at large."

Furthermore, the disclaimer here was not a *necessary*, though a proper one, as the Master had simply concluded as a matter of law that claim 37 was not sufficiently definitive under Revised Statutes Section 4888, and did not hold that it was anticipated by the art, nor that it covered more than Parker was entitled to, but only that it did not sufficiently define a complete structure and (R. 570-571)—

"It must also be considered that the other claims amply protect the invention. It is concluded that Claim 37 does not comply with Section 4888 of the Revised Statutes."

The lower court was correct in his interpretation of the Ensten case when he held—

"that where no final decree is made adjudging any claim of a patent to be invalid, the patentee is not required to disclaim"

and that—

"the entire report was, at the time of the making of the motion, still before the court *subject to being passed upon, changed or modified*. There was no decree interlocutory asked for to confirm the report as to the finding of invalidity for lack of exception taken, * * * the matter remained at large and the commencement of the reasonable time within which the plaintiff might disclaim would be the *entry of such decree*."

UNDER THE AUTHORITIES NO EXCEPTIONS NEED BE TAKEN TO A MASTER'S CONCLUSIONS OF LAW.

In *Burke v. Davis*, 81 Fed. 907, the Court of Appeals for the Seventh Circuit considering a case where no exceptions are filed by the complainant and their motion thereafter made for leave to file exceptions being denied, nevertheless considered the case without exceptions and reversed the decree of the District Court. On the question of want

of exceptions to the Master's report, the Court said (p. 910) :

"In the absence of exceptions to the report there can be no inquiry into the correctness of the master's findings of fact; but whether the proper decree was entered upon the report is nevertheless open to consideration. The master's mistaken apprehension of the legal consequences of the facts reported, as Daniell stated it, 'may be opened to further directions, without exceptions'."

In *Celluloid Mfg. Co. v. Cellonite Mfg. Co.*, 40 Fed. 476, C. C. N. Y., the case came on for argument on exceptions to the master's report. The defendant took no exceptions as to certain *findings of fact*, and Circuit Judge Wallace held that these findings, therefore, should not be disturbed. However, as to the practice as to conclusions of law where no objections were filed, the Court stated (p. 477) :

"The practice thus referred to does not preclude the defendant from being heard upon a question of the correctness of the legal conclusion reached by the master. Where the master, by his report, states the facts correctly, but errs as to the legal conclusion, the party against whom he errs is not required to except to the report, but may bring the question to the attention of the court upon further directions; or, if the report is made pursuant to an interlocutory decree, when the cause comes on to be disposed of by a final decree. 2 Daniell, Ch. Pr. 149. The cause remains under the control of the court until disposed of by a final decree, and until then it can revise the interlocutory decree, or any proceeding in the cause; and it is its duty to correct any error of the master affecting the merits, as well as any error of its own, properly brought to its knowledge. *Wooster v. Handy*, 22 Blatchf. 308, 21 Fed. Rep. 51; *Perkins v. Fourniquet*, 6 How. 206; *Fourniquet v. Perkins*, 16 How. 82."

In *Smith v. Seibel*, 258 Fed. 454, D. C. Iowa, as no exceptions to the Master's report were filed within the twenty days permitted, the Court, District Judge Reed, held (p. 456) :

"as no exceptions were filed thereto within 20 days,

the report *as to the facts*, under equity rule 66, stands confirmed, and the defendant is precluded from urging the questions thus raised as against the finding of the facts by the master. But the legal conclusion of the master upon the facts so found appears upon the face of the report, and *may be noticed by the court.*"

In *National Folding-Box & Paper Co. v. Dayton Paper Novelty Co.*, 91 Fed. 822 (C. C. Ohio), the late Mr. Chief Justice Taft, sitting as Circuit Judge, in disposing of an attack made on the priority of the Master withdrawing after formally filing, and then correcting, revising and re-filing his report, said (p. 824) :

"Nor is there anything in the eighty-third equity rule which prevents action of the court upon the report of the master, summary, discretionary, or otherwise. That rule simply prescribes the course of the master in respect of filing the report, and of the parties in presenting exceptions; but it leaves the course to be taken by the court to be determined by practice in the high court of Chancery in England as it was in 1842.

"It is insisted that the master, when he filed his report, became *functus officio*, and could not thereafter amend his proceedings, at a time when he was clothed with no official authority. This is the significance of the references to the 'ex-master' of which counsel's brief is so full. It will hardly be denied that the authority which the master exercised in his first report came wholly from the court. It would seem clear that the court which gave him original authority might renew that authority. Re-references and recommittments are not so unusual as to require citations of precedents to justify them, and yet they can only be made on the theory that the court which originally conferred authority may renew it. The order of this court giving the master leave to withdraw his report for amendment necessarily gave him the authority to make an amended report, and he was as much master of the court when he made the second report as when he made the first.

"Mr. Justice Bradley, in *Thomson v. Wooster*, 114 U. S. 104, 112, 5 Sup. Ct. 788, speaking for the Supreme Court, said that the English edition of Daniell's Chan-

cery Practice, published in 1840, contained the best exposition of the practice of the high court of chancery at the time the equity rules were adopted by the supreme court, and that to this book reference should be had when questions of federal equity practice arose which were not covered by the equity rules. In the edition of Daniell referred to, on page 961, is the following:

“‘Although the usual course by which a review of a master’s report is to be procured is by taking exceptions to it, there are many cases in which the court will direct the master to review his report without requiring exceptions to be taken, or, if they are taken, will direct it to be reviewed upon grounds independent of those laid by the exceptions; and sometimes, as we have seen, the court will direct a master to review his report in order to afford a party an opportunity for taking in objections to the draft, as a foundation for exceptions. A reference back to the master, to review a report which has not been excepted to, may be made upon the hearing for further directions, and is frequently so made when the court is not satisfied with the master’s finding, as where the master has not found sufficient facts for the court to found its judgment upon. So, also, if the master has exceeded his authority, it will either direct him to review his report, or take no notice of his finding.’

“See, also, 2 Beach. Mod. Eq. Prac. Sec. 713.

“In *Mosher v. Joyce*, 6 U. S. App. 107, 112, 2 C. C. A. 324, 325, 51 Fed. 441, 444, Mr. Justice Jackson, then circuit Judge, speaking for the court of appeals of this circuit, said:

“‘In respect to such matters as the recommittal of accounts or a reference back to a master, the chancellor exercises a very large discretion, and is not to be put in error in his action upon such motions except upon a very clear showing of merits, and in the absence of negligence.’

“The right and power of the court to permit the master, upon his own application, to withdraw his report for amendment, would seem to be sustained by the following Massachusetts authorities: *Heywood v.*

Miner, 102 Mass. 466; *Webber v. Orne*, 15 Gray, 351; *Gardner v. Field*, 5 Gray 600."

In *Central Improvement Co. v. Cambria Steel Co.*, 210 Fed. 696, 699 (C. C. A. 8) the general rule is that —

"Where no exception is taken to the master's report it will be deemed to be true, and where exceptions to parts of it are taken the parts to which no exception is taken will stand as correct and will not be open to review in an appellate court,"

but that —

"This rule, like most rules of law or practice, is not without its exceptions,"

and refers to *Sheffield v. Gordon*, 151 U. S. 285, 291, where the Supreme Court said:

"It is true if the report of the Master is clearly erroneous in any particular, it is within the discretion of the court to correct the error."

The Court of Appeals in the Cambria case further said (p. 700) :

"In 2 Daniell's Chancery Pleading and Practice, page 1314, it is said that it is entirely discretionary with the court to grant an opportunity to except to a report after it has been absolutely confirmed * * * suits in chancery are tried and reviewed in view of the fact that a court of equity has and frequently exercises the power where justice may thereby be done, to grant to litigants the right remedy although they have sought the wrong one. * * * As an appeal in equity in the Federal Courts results in a trial *de novo*, the appellate Court is not, in our opinion, so powerless that it is compelled to affirm an unjust decree; nor is the appellant so conclusively estopped that it may not attack such a decree by the fact that it gave a wrong reason for its exception to the erroneous conclusion of the master it assails."

The *Central Improvement Co. v. Cambria Steel Co.* case just referred to is in conformity with the other decisions which hold that the trial court may review a Master's conclusions as to the law, whether exceptions thereto have

been taken or not, and that even questions of fact on which the Master is clearly wrong may be reviewed by that court without exceptions.

PLAINTIFF DID NOT UNREASONABLY DELAY FILING ITS DISCLAIMER.

Defendants have raised the question of infringement of claim 37 by its assignment of error No. 3 (R. 592). Had the disclaimer not been filed the lower court would have been under obligation to pass upon the question of validity of this claim in connection with determining the question of infringement, and under the well known rule of law referred to by defendants in their brief and the authorities there cited (p. 5), there was no necessity of plaintiff taking a cross-exception.

If there were merit (which there is not) in defendants' contention that plaintiff's failure to file any exception to the Master's finding and conclusion with respect to claim 37 rendered such finding and conclusion final, nevertheless plaintiff did not unreasonably delay in filing its disclaimer. This is fully shown by the decision of the Circuit Court of Appeals for the Second Circuit, in *Bassick Mfg. Co. v. Adams Grease Gun Corp.* (C. C. A. 2), 52 F. (2d) 36. The court in an opinion by Judge Swan upheld a disclaimer under facts more favorable to the defendant than those of the instant case, saying (p. 39):

"It is contended that plaintiff cannot maintain its suit upon any of the claims of the Gullborg patent in suit because of delay in filing a disclaimer as to claim 12. This claim was held invalid in the litigation reported as *Lyman Mfg. Co. v. Bassick Mfg. Co.*, 18 F. (2d) 29 (C. C. A. 6). That litigation included six suits, all of which were disposed of in a single opinion on March 23, 1927. Petitions for rehearing were filed in two of the suits, neither of which, however, involved claim 12. These petitions for rehearing having been denied May 13th, the plaintiff contends that the time

for presenting a petition for certiorari did not expire until August 13th, and that its disclaimer filed on August 29th was well within the period which this court sanctioned as a reasonable time within which to disclaim, in *R. Hoe & Co. v. Goss Printing Press Co.* (C. C. A.), 31 F. (2d) 565, and *Ensten v. Simon, Ascher & Co.* (C. C. A.), 38 F. (2d) 71, affirmed 282 U. S. 445, 51 S. Ct. 207, 75 L. Ed. 453. The defendant, on the other hand, contends that in each of the suits involving claim 12 the mandate was filed April 23rd, so that the time to apply for a writ of certiorari expired July 23rd and the time to disclaim thirty days thereafter. The question is of seasonable action. Ordinarily, thirty days after the time expires to petition for certiorari would seem to give the patentee reasonable opportunity to determine his course of action, as we said in the Hoe and Ensten cases. In the case at bar, however, the decision that claim 12 was invalid was announced in an opinion which was subject to review as to other claims until August 13th. We do not think the companion suits can be ignored merely because they did not involve claim 12. Had the writ of certiorari been allowed, the Supreme Court's decision as to the other claims might have resulted in such a construction of them as would have cast doubt upon the correctness of the lower court's disposition of claim 12. It was not an unreasonable delay for the patent owner to await this possibility before determining to file the disclaimer."

The decision is in keeping with the beneficial purpose of the disclaimer statutes as expressed in *Carson v. American Smelting Co.* (C. C. A. 9), 4 F. (2d) 463, 469.

THE MORSE CASE HAS NO BEARING ON THE SITUATION HERE AS TO THE NECESSITY OF FILING A DISCLAIMER.

The assumption that a claim, indefinite in the sense of failing to identify the elements of the structure, as in this case, invalidates the patent is unfounded. Such a claim is obviously a misadventure in an effort adequately to claim the invention, in that it fails to comprehend a definite part of the subject matter of the invention. Indeed, it is not a

claim. It is a mere nullity. Its presence in the patent is harmless. It involves no pretenses or deception, no fraud, no claim to have invented more than was actually invented, for as it fails to describe a definite part of the subject matter of the invention, so it fails to claim anything definite in the prior art. It lacks the vice of claim of the character which the courts, prior to the disclaimer statute, held, should invalidate the patent.

In the Morse case, for example, the claim broadly covered a process which the patentee had not invented. The court said of it (15 How. 62, 113) :

“he does not confine his claim to the machinery or parts of machinery, which he specifies; but claims for himself a monopoly in its use, however developed, for the purpose of printing at a distance.”

“In fine he claims an exclusive right to use a manner and process which he has not described and indeed had not invented, and therefore could not describe when he obtained his patent. The court is of opinion that the claim is too broad, and not warranted by law.”

That situation has no application here.

THE FILING OF A DISCLAIMER IS NOT A CONFESSION THAT A PATENT WOULD BE VOID IF THE DISCLAIMER WERE NOT MADE.

See : *Manhattan General Const. Co. v. Helois-Upton Co.*, 135 Fed. 785, 802 (C. C. Pa.) ; Walker on Patents, Sixth Ed. p. 342, Sec. 258 ; *Bay State Optical Co. v. Klein*, 20 F. (2d) 915, 917 ; *Permutit Co. v. Wadham*, 13 F. (2d) 454, 457.

In the latter case the Court of Appeals, speaking through Circuit Judge Denison, stated at p. 457 :

“We do not understand that a disclaimer to avoid the supposed anticipating or limiting effect of some other publication is a confession that the patent would be void if the disclaimer were not made. The patentee decides a question of policy; he may think that, al-

though the supposed anticipation can be successfully met and defeated, a disclaimer will not affect the real value of his patent, and to make it will save trouble and expense and do no harm. We see no reason why he is not at liberty, after the disclaimer as before, to deny the anticipatory effect of the other matter; and it has been so held. *Manhattan Co. v. Helios Co.*, 135 F. 785, 802."

CONCLUSION.

We respectfully submit that defendants' contentions that the Parker patent is void for lack of invention, lack of operativeness, lack of utility, alleged intervening rights, alleged delay in filing the disclaimer, and non-infringement, are without substance.

The Master after hearing the evidence of all the witnesses disposes of each of these contentions, except the alleged delay in filing disclaimer which was not before him, adversely to the defendants. The lower court likewise disposed of each of these contentions except non-infringement adversely to the defendants when it specifically decreed the Parker patent was valid.

Parker having for the first time disclosed to the world a control for attendant operated electric elevators in which the attendant operator is stationed in the car, and in which the starting of the car is entirely under the control of the attendant whereas the stopping of the car at landings, in proper sequence, is automatically attained either by pushing buttons in the car or at the landings, is entitled to a liberal construction of his claims, which cover the means for accomplishing this result, utilized in both plaintiff's "Signal Control" elevators and by the defendants in their Pacific Finance installation.

Had the lower court not unwarrantably assumed that there were no means for decelerating high speed elevators in the prior art, and failed to appreciate the vital distinc-

tions between the push button elevators of the Ihlder type and the Parker invention, so fully appreciated by the Master and shown by the record, he would, it seems to us, clearly have held each of the claims here asserted not only valid but infringed, for he says (R. 637) :

“If no such means of electrical control had theretofore existed and Parker had, for the first time, devised a system which supplied a new and highly desirable form long looked for by the manufacturers of elevators, the claim of a primary and pioneer invention *might well be predicated.*”

Had the lower court had the advantage of having the witnesses before him, as did the Master, he would have appreciated, as did the Master, that (R. 574) :

“The invention of Parker is an important one. Coming from one not trained in the art, it has taught the art a new means of control that solves many old problems. That it was contributed by an outsider negatives any theory that it was an obvious step. Otherwise, elevator engineers would have accomplished it long before Parker. * * * the substance of the invention was disclosed in his crude specifications. The art could and did understand and apply them to practice. This is sufficient, and the invention, judged by the results, is a radical step forward. Parker is entitled to high standing for the inventive thought expressed in his patent.”

We respectfully submit that this Court should hold the Parker patent valid and of such scope as to include within it defendants' installation, which secures the identical results of the Parker invention by substantially the same or clearly equivalent means.

Respectfully submitted,

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